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ABSTRACT

This monograph contains 14 papers on the role of higher education in the developing world stimulated by discussion of that issue in "Higher Education: The Lessons of Experience" (World Bank, 1994). The first two papers offer background on the World Bank paper: "World Bank Traditions of Support to Higher Education and Capacity-Building: Reflections on 'Higher Education: The Lessons of Expereince'" (Kenneth King) and "Shaping the World Bank's Higher Education Paper: Dialogue, Consultation and Conditionality" (Alison Girdwood). The next three papers explore related fundamental issues: "The Implications of Globalisation for Higher Education" (Noel F. McGinn); "Higher Education-Business Partnerships: The Dilemma of Competitiveness and Equity" (Wim E. Biervliet); and "The Challenge to the Liberal Vision of Universities in Africa" (David Court). The next four papers address World Bank reform areas: "Redefining the Role of Government in Higher Education: How Realistic is the World Bank's Prescription?" (Keith Watson); "Diversifying the Funding of Tertiary Institutions: Is the Bank's Agenda the Right One?" (Christopher Colclough); "Institutional Diversification of Higher Education" (Peter Williams); and "Responding to Ambiguity: A Critique of the World Bank's Analysis of Quality Assurance, Responsiveness and Equity" (H. R. Kells). The next three papers present empirical perspectives on the World Bank paper. They are: "Higher Education in India at a Cross-roads" (Jandhyala B. G. Tilak); "A Chinese Model of Higher Education? Lessons from Reality" (Kai-ming Cheng); and "Equity, Access and Excellence in South Africa Higher Education" (Pundy Pillay). The final two papers look at other policies and practices in aid to higher education and are "The Power of Knowledge: A Comparison of Two International Policy Papers on Higher Education" (Berit Olsson) and "French Aid and the Crisis of Higher Education in Francophone Africa" (Francois Orivel). (Many papers contain extensive references.) (JB)

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Learning from experience:

policy and practice in aid to higher education

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policy and practice in aid to higher education

Editors
Lene Buchert
Kenneth King

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Preface

This monograph is a contribution to the crucial debates about the role of higher education in the developing world. But it is unusual in the sense that it is principally a book about a book. Much of it is a detailed commentary on the World Bank's paper *Higher Education: The Lessons of Experience* (1994). And for that reason, the first mailing of this monograph is also enclosing a copy of the Bank paper, for ease of reference[1]. Thereafter, we assume that readers will be able to find the Bank paper in their library or department, since the dissemination of the paper through the regular channels will have taken place by 1995.

A word of justification is in order. The 1990s are witnessing very dramatic changes to higher education across the world. In the OECD countries, these changes to the structure, functioning and financing of higher education are being driven by national governments. The same is true of countries in the developing world, of course, but with many of these latter, there is an additional factor at work. The extent of their fiscal crisis is such that they have become dependent in part on external financing and for that reason are obliged to consider very seriously the external policy advice on their economy and its different sectors. A key dimension of that policy advice or policy dialogue in the sphere of education has been associated with the World Bank, as a result of its role as the single largest source of lending for the education sector in the developing world.

For the last almost 10 years, the Northern Policy Review, Research and Advisory Network on Education and Training (NORRAG) has also been in the business of policy advice, and has paid particular attention, as a network based in the North, to the politics and policies of educational aid. It has sought as far as possible to give an early warning on important shifts in aid policy that would affect the South. Bus as an organisation that counts the bulk of bilateral and multilateral agencies amongst its members, it is not an 'anti-aid' network, but is itself anxious to contribute to and, where appropriate, influence the debate about education within the agencies, as well as seeking to involve its Southern sister networks in this process of commentary and advocacy.

It was in this spirit that, when NORRAG first heard in 1991 that the Bank was planning a policy paper on higher education, it immediately dedicated a whole issue of *NORRAG News* [special theme Higher Education], no. 11 of December 1991 to putting on to the table no less than 30 short commentaries on different policy issues in higher education that the Bank might want to consider in framing its own agenda. Incidentally, one of the contributors to that volume was Jamil Salmi, task manager in the Bank for the higher education paper.

Four years later, and when the penultimate draft of the Bank paper became available, NORRAG felt it would be appropriate to bring together a series of commentaries on this draft, partly with the intention of advising the Bank prior to publication. Hence in May 1994, a seminar was held in Edinburgh University in association with the Centre of African Studies, and this sought to make available to Jamil Salmi who attended and contributed very valuably to the seminar, a last round of comments that he might wish to consider on many of the critical dimensions of the draft.

Since the papers and the debate in Edinburgh were very relevant, NORRAG decided to dedicate a second issue of *NORRAG News* exclusively to higher education, and thus, after commissioning a further 30 short articles on the Bank paper (including summaries of the Edinburgh papers), it brought out *NORRAG News*, no. 16, of August 1994, just a fortnight after the Bank's higher education paper was finally published.

To reach a wider audience, however, it was felt appropriate to select a small number of these analyses, expand them into full articles, and to commission new materials, in order that not only should the Bank paper itself be analysed very fully, but also that some of the wider higher education policy issues be put into the public domain. Accordingly, NORRAG and the Centre for the Study of Education in Developing Countries (CESO) agreed swiftly to bring out a monograph that could extend the debates in the World Bank paper, as well as reflect on their implications in a series of different regional contexts.

We trust that, taken together, this volume and the Bank paper will enhance and enrich one of the most important policy debates about education in the developing world.

Kenneth King

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1. We should like to acknowledge the generosity of James Feather, Director of Publications at the World Bank, for being prepared to make copies of the Bank paper available for this first mailing.

Introduction

Lene Buchert

This book seeks to offer both a needed perspective on and some critical discussion of the World Bank paper *Higher Education: The Lessons of Experience* which was released in July 1994 (World Bank 1994). Its primary audiences are intended to be education policy-makers and the broader academic community in the North and the South who may be either affected by or who feel that, because of their circumstances, they must take the World Bank's strategy on higher education into consideration.

The preparation of the World Bank paper has involved five years of policy work by World Bank staff, external consultants and education specialists, and has included policy-makers in the South at the national and institutional levels in its development. This has been an extensive process of conceptualisation based on case studies of countries, clarification of concrete issues, theoretical understandings, and policy discussion. The scope of the work was extremely comprehensive and, as appears from Girdwood's contribution in this volume, it was a lengthy, costly, and difficult task to undertake. The process also necessarily involved compromises and choices with respect to how to 'capture the commonalities' (World Bank 1994:27) in the different national and regional circumstances in which the higher education issues were to be understood and the policies to be, potentially, enacted. The World Bank paper is important because it provides a broad framework within which to understand the global higher education situation. It is, however, critical to ascertain whether the fundamental premises of the Bank's paper are sound, whether important issues related to the function of higher education are neglected, and whether misinterpretations have been made in the underlying conceptualisations and case analyses which together have led to the formulation of the World Bank recommendations for reforms. These are the primary concerns of this book.

The book comes at a time when the focus of education aid amongst many multilateral and bilateral donor agencies is increasingly shifting to the basic education level in response in large part to the Education for All strategy formulated in Jomtien in 1990. Even agencies, which have generally allocated by far the larger proportion of their bilateral education assistance to the higher education sub-sector, now have adopted policies in favour of the basic education level. This includes, eg, the Italian Development Cooperation (70% to higher education in 1991), DGIS (45% in 1990), ODA (53% in 1991), and the French Ministry of Development Cooperation (40% in 1991, cf. Orivels paper in this volume). The increase in resource allocation towards basic education is often clearly indicated by the donor agencies as being undertaken at the expense of higher education (Buchert 1994).

Seen in this context, and in the context of the series of sub-sectoral education policy documents produced by the World Bank since 1980 (cf. King's paper in this volume), it might have been expected that the World Bank higher education paper would have as a primary purpose to defend the higher education sector against other priorities, and to argue its relevance among and support of other sub-sectors of education. Furthermore, it might have been expected to underline the critical role of higher education in society for those overall development goals which are increasingly becoming prevalent amongst multilateral and bilateral donors: sustainable economic and environmental development, good governance and poverty reduction. If so, the arguments in the document would have centred on the importance of both traditional and modern goals of education. It would have focused on higher education as a knowledge producer and value and culture transmitter in addition to its more utilitarian functions for industry and business; of pluses and minuses in cooperative arrangements between different kinds of higher education institutions and non-education institutions; and, of developing the higher education sector as a means of local capacity-building, particularly in countries which have little or none. Instead, the lens through which higher education is seen in the Bank's document is primarily an economic one. Recommended solutions, despite the different local contexts in which diversified higher education systems operate, are those which can simultaneously reduce costs and increase access specifically to those areas of education which support the utilitarian purposes of the university. Reforms in this respect are formulated in the World Bank paper concerning several key areas: a redefined role for the state in higher education; institutional differentiation; diversification of funding; and policy attention to quality, responsiveness and equity.

The critique of the World Bank paper in the present volume is, therefore, both linked specifically to these four stated reform areas and also goes beyond them to cover wider issues which, although often referred to in the paper, assume only a subordinate position in it. Higher education specialists contribute to setting a perspective on the paper along five different dimensions: evolution and contradictions in World Bank thinking on higher education and in the shaping of the paper; consequences of the World Bank stance on the purposes and functions of higher education; critical reactions to the specifically formulated four reform areas of the paper; selected empirical case studies to highlight the Bank's recommendations in particular settings of the world; and some other thinking on aid policy and practice with respect to higher education.

In the remainder of this introduction, some of the critical areas which are identified by the authors as deficient in the World Bank paper and which illustrate the different approaches and levels of analysis applied in the book will be pointed out without, however, replacing the rich discussions and arguments put forward in the individual papers.

Commentary on the status and some fundamental issues of the Bank's paper

In contrast to other recent sub-sectoral World Bank education papers, the official status of the higher education paper is one of 'best practice', not that of a policy paper. As pointed out by King, it is unclear whether those best practices advocated by the Bank have derived from its own experiences, or whether they are experiences of higher education developments in individual countries which have taken place without World Bank intervention and are recommended by the Bank as a result of the research and consultative processes which formed part of the formulation of the paper. According to Girdwood, the weight and importance of these processes, however, have had but limited impact on the end result of the paper - the basic Bank posture on lending for higher education. The paper has to be understood as a compromise between different views and interpretations within the Bank of the higher education situation in developing countries and, due to the involvement of and acceptance by top Bank officials, the paper should in fact be considered as reflecting acknowledged World Bank higher education policy despite its proclaimed status of 'best practice' paper. The compromise between earlier drafts and the final version of the paper can be related to the relative influence of particular views in the shaping of the paper. These views are predominant in the recommended reform areas which, in their final form, are more strongly reinforcing a neo-liberal stance than earlier drafts, giving a predominant role to the market in the relationship with the state and to the private sector in the relationship with higher education institutions.

From a global perspective, McGinn finds the World Bank recommendation for diversification of higher education institutions a laudable one. Differentiation of institutions can ensure higher adaptability to changing global economic systems and help to ensure that "poor countries [can] escape the chains of a structure of comparative advantage that would assign them to low rates of development". McGinn's underlying assumption seems to be that universities and other higher education institutions are able flexibly to adjust to changing technologies of production and that, in combination, the different kinds of higher education institutions can cover both their traditional function as a knowledge generator and value creator and the modern utilitarian function determined by industry and commercial life. While this argument is probably sound seen at the global and abstract level, it seems not to be the primary purpose of the World Bank in the case of Africa and African universities. African countries have to prove themselves worthy of Bank support for higher education and this worthiness is measured by results in terms of equity and quality at the primary and secondary levels - an argument which largely ignores the importance of a well-functioning higher education system in efforts to achieve quality at other sub-sectoral levels.

The issue of globalisation is made more concrete in Biervliet's paper on university partnership with business. The understanding of this relationship as an important channel of mobilising technology and human resources in pursuance of objectives related to the knowledge industry is undoubtedly a sound one, if it also means access of the developing countries to the science and technology which is imperative for their development. The likelihood may, however, rather be that developing countries are increasingly marginalised in the globalisation process and as partners in the development of knowledge.

Underlying the discussion on globalisation and the adapation of the university to the production sectors of society is a transformation of the traditional purposes of the university. This is the central discussion in Court's paper in which the economic orientation of the World Bank paper is seen as disturbing the core notion of a university. Values and knowledge creation, particularly through independent and basic research, are still critically important in order to develop the African continent as a "creator of science and technology and not simply a consumer of imported versions". This is seen in contrast to reinforcing the attachment of universities to the market and thereby the continued dependence on western knowledge generation. Institutional differentiation, diversification of funding, and private sector participation have, according to Court, replaced earlier key concerns of access, equity and relevance. They all reinforce the utilitarian notion of the university and, beyond that, one must add largely disregard the fact that in most African contexts, South Africa being a notable exception, there is no local industrial dominance and no powerful private sector with which the state can share the responsibility for higher education.

Commentary on the Bank's reform areas

The general reaction of the authors who discuss the Bank's reform areas is not that the Bank is wrong in recommending them; they agree that important consideration has to be made with respect to all of them. The reaction rather is that the Bank recommendations are simplistic, ambiguous, unbalanced and inapplicable as general recommendations in all contexts; that their soundness is not always convincingly demonstrated by the Bank; and that the underlying reasons for the reforms as stated by the Bank are negligent of other and more important concerns.

Watson's key concern is the inherent contradiction between Bank recommendations for decentralised decision-making and autonomy of individual institutions and, then, the recommended reform areas which in many ways imply greater government direction, not less. He also demonstrates that, in many of the key country cases (e.g., OECD countries and NICs (Newly Industrialising Countries)) underlying the Bank's argument, the state has maintained an interventionist role in the higher eduction sector. The critical issue is, therefore, not the choice between states or markets, but the relative balance between the two in different contexts. Added to this is the need for a reassessment of national educational priorities with greater emphasis put on the core Bank concerns of, e.g., cost, efficiency and management along with other concerns, e.g., equity, basic research and the development of science and technology.

Like Watson, Colclough discards the underlying neo-liberal economic reforms put forward by the Bank as incomplete and as not applicable in all circumstances. Like Court, he points to the need for increased support rather than reduction in the expenditures for higher education in many countries, particularly in sub-Saharan Africa, and for alternative reform measures, presently disregarded by the Bank, in order simultaneously to achieve equity, efficiency and cost goals. One of the areas put forward by Colclough is the need for redistribution of government support among different sectors, in particular from defence to the social sectors. Beyond this, one could point to the pertinent discussion in the *Human Development Report* of the 20:20 compact, i.e., the need for aid agencies and national governments in developing countries to, each, allocate 20% of their budgets for human development priorities (UNDP 1994). The disregard of these issues demonstrates the lack of attention by the Bank in its higher education paper both to wider cost recovery strategies and to wider purposes of human development and international aid.

With respect to institutional differentiation, Williams questions the accuracy of the data and the apparent precision of the Bank's three-layer classification of undifferentiated public, differentiated public, and differentiated public and private higher education systems as representative of the reality in many specific countries and for many existing higher education systems. The premise for the Bank's case for institutional differentiation, interpreted as division and competition between different parts of a higher education system, is largely disclaimed and McGinns underlying concern is supported, i.e., that the purpose of differentiation should be to "create links and blur distinctions" between institutions in order to enable them to be more responsive to change.

Related to this latter issue and to that of local capacity and nation-building through access to higher education and higher education institutional development, Kells outlines the need for Bank lending to be persistently given to the same institutions or higher education systems over long periods of time, and to ensure necessary infrastructural developments simultaneously with the building-up of management skills among higher education staff. His analysis extends the narrow Bank interpretation of quality to include "both a strong element of quality assurance and the ongoing capacity to improve teaching-learning, management services, research capacity and other dimensions of the organisation" in order for the institutions to be able to continuously make the changes needed to adapt to national needs for effectiveness and efficiency.

Commentary on case analyses and purposes of aid

From an empirical point of view, the four recommended reform areas seem to be differentially applicable to and relevant for the three countries which were selected as cases in the book due to the size and complexity of their higher education systems. In the World Bank document, recommended practices are drawn from positive experiences from some of the OECD countries (e.g. Holland and the UK) and from East Asia and Latin America (e.g. South Korea and Chile). In contrast, the analyses of India, China and South Africa in this book illustrate the extent to which solutions to the wide range of higher education problems and settings cannot be standardised and that the influence of the local context is very strong, if not predominant, even within large countries like China.

In his paper on India, Tilak supports the view that increased investment in higher education is necessary due to the globalisation of the Indian economy and that Bank emphasis on the need for reduced public investment in higher education is wrong in the particular case of India. Tilak, moreover, strongly supports Williams' questioning of the three-layered Bank categorisation of higher education systems, seeing the private higher education sector in India as predominantly publicly funded but privately managed.

In the case of China, the problems with the Bank recommendations, as pointed out by Cheng, mainly relate to lack of understanding of the cultural context. Higher education reforms in China have been initiated by the government without outside assistance and critical concepts in World Bank thinking, e.g. decentralisation, diversification, equity, and efficiency, are only now appearing as part of the higher education policy debate with major implications for traditional values and perceptions. The underlying issue raised by Cheng is, therefore, that the introduction of specific reform measures along the lines of the core Bank concepts may still have particular results because of the specificity of the cultural context in China. It seems, then, that the disregard in the Bank paper of the cultural dimension and the lack of consideration of the local context in the adaptation of policy measures by the Bank paper support the criticisms that Bank recommendations are too generalised and too economistic in focus.

This is also partly the case in South Africa where some of the Bank recommended reform areas are questionable, according to Pillay. Privatisation and diversification of the higher education system would be particularly unacceptable due to the overriding concern in South Africa with equity issues. The case of South Africa, thereby, illustrates the necessity pointed out by, for example, Watson to see Bank recommended reform areas in a perspective which is inclusive of different development dimensions and giving equal positions to a range of important policy issues, such as those of cost, efficiency and equity.

Olsson reinforces the theme of globalisation introduced by McGinn and relates the purposes of international aid to the creation of equal access to knowledge of science and technology in order to decrease or close the development gap between developed and developing countries. By largely neglecting this concern, the stated World Bank recommendations are seen in contrast to the strategy recently proposed by UNESCO. Olsson points to the need to find ways "to empower collective responsibility in communities, nations and at the international level".

This same purpose can be readily seen in relation to Orivel's understanding of diversification of higher education institutions in Francophone Africa as a means to avoid duplication and develop regional centres of excellence which build on institutional strengths, and on national and regional needs. In this sense, institutional diversification seems to take its point of departure in the local context, to be adapted to the local needs, and in many ways to represent a more fruitful picture of the use of higher education institutional cooperation than the predominant picture in the World Bank paper.

Concluding note

If the Bank paper is to be interpreted as a 'best practice' paper, and not as one prescribing policy, then one might expect that critical comments, like those put forward in this book, would be used as inputs in future World Bank work in the higher education sector. The messages in this book seem to be clear from whatever angle the paper is discussed and seem to be repeating predominant concerns voiced in other contexts, including the need to develop an integrated view of the education sector as a whole, the need for views on education to be integrated with other sector concerns, and the need to understand the purposes of education in the context of social change.

The World Bank is often pointed to as a lending institution which explains its predominant concerns in terms of cost and efficiency. The World Bank often defends itself as a multifaced institution consisting of different individuals and with genuine commitment to solving the development problems in developing countries. This book could hopefully assist Bank staff in its dialogues with national policy makers. Neither of these groups has as much time as they might wish in order to review the huge amounts of higher education experience and research that lie behind the Bank's *Lessons of Experience* and behind the chapters of this particular monograph. Hopefully, the many additional perspectives which the following articles offer on the Bank paper may be of use both to the policy community in the agency world and in national ministries. Furthermore, they are, hopefully, particularly helpful to scholars, administrators and research students in higher education institutions across the developing world.

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Background to the World Bank paper

World Bank traditions of support to higher education and capacity-building: reflections on *Higher Education: The Lessons of Experience*

Kenneth King

The World Bank paper, *Higher Education: The Lessons of Experience*, comes some five years after the Bank first popularised the term capacity-building in its *Long-term perspective study* (World Bank 1989a; Jaycox 1993). Since that time the term capacity-building has been used by the majority of donors in a great variety of different, if overlapping ways to emphasise that they are interested in new ways of relating to developing countries, and particularly to Africa (Girdwood 1993; Gmelin and King 1992). These meanings include a very strong preference for the use of 'domestic professional resources as opposed to expatriate technical assistance personnel'. They cover also the sphere of post-graduate training, and here the near-universal tendency of the last several years has been to underline the importance of in-country training rather than training in a research centre in the Northern industrialised countries (*NORRAG News*, 14, 1993). In more institutional terms, capacity-building has meant a renewed interest in ways of re-developing and sustaining the often debilitated organisations and structures in many developing countries. Here, too, the emphasis from a donor perspective has been on dealing directly with the mainstream ministry or its departments rather than setting up enclave projects which could be protected by donor funds from the wider environment. Finally, capacity-building has also been used to refer to very particular policy analysis skills that are associated with improved economic management of the economy, but which are themselves inseparable from a solid information and statistical base. In this narrower sense, capacity-building has almost meant improving the capacity to put essential economic and political reforms into place (*NORRAG News*, 10, 1991).

It is clear that higher education institutions are one of the most obvious sites for capacity development, both in the sense of creating the many different disciplinary capacities (in health, education, science, technology and management) required by the economy, but also because they may seem likely to benefit from policies that emphasise local versus overseas training, and which stress the priority of using local rather than foreign consultants for major agency research and project work.

It could be anticipated, therefore, that the Bank's *The Lessons of Experience* would likely contribute to the thinking about the role of higher education in developing, nurturing and sustaining local excellence. We shall look accordingly at the extent to which the Bank paper appears to make a distinctive contribution to our understanding of capacity-building.

The Lessons of Experience, however, also comes after almost 25 years of Bank pronouncements on Education Sector policy in the developing world. It may therefore be useful to try and situate this particular, latest deposit of Bank thinking on higher education within this longer historical development. The first three Bank Education Sector memoranda (World Bank 1971, 1974, 1980) were general, and covered all sub-sectors of education. In 1988, there was a policy paper covering all these levels of education (except adult education and literacy) but focusing only on sub-Saharan Africa (World Bank 1988). There, then, followed the policy papers on primary education (World Bank 1990) and on vocational and technical education and training (World Bank 1991) which sought to look across the developing world. Interspersed with these more explicit policy announcements, there have been a very large number of working papers, staff papers, reports and books, many of which have taken particular dimensions of education policy that directly affect higher education. These would include papers on financing, on costs, on rates of return, on quality, and on particular countries and regions. Within this last category, mention should be made of the Donors to African Education task force that has been concerned specifically with higher education in Africa. That initiative recently produced a technical paper on universities in Africa (Saint 1992).

In looking summarily and selectively at this record, it may be useful to ask the question, what was new about *The Lessons of Experience*? And to some extent, of course, the sub-title answers that question, by suggesting that this higher education paper is mainly a synthesis of what has been learnt by the Bank in earlier years. It may, nevertheless, be new in the sense that it projects much more sharply a set of insights or experiences that have been available in particular country or regional experiences but were not widely disseminated.

In the light of what has just been said, it could be anticipated that *The Lessons of Experience* would draw together what the Bank had been learning on capacity-building as well as on higher education, more narrowly defined. We shall accordingly first make a number of comments on the evolving tradition of higher education policy in the Bank, and then return to assess how that is captured in this report and how it relates to the policies on capacity-building (*NORRAG News*, 11, 1991; 16, 1994).

Towards a comprehensive criticism of the university

Twenty years ago, the *Education Sector Working Paper* (World Bank 1974) began the process of emphasising the importance of primary and basic (including non-formal education), and urged the raising of the proportion of education lending to this sector (from 11 to 27%) and, in consequence, reducing the proportion going to higher education (from 40 to 30%). Although non-formal and adult education soon dropped from Bank priorities (King 1991a: chapter 5), it did prove possible over the next 20 years to raise dramatically the proportion of lending for basic education, and to reduce higher education, as planned, to approximately 30%. The 1974 paper was perhaps the strongest statement the Bank has made in its education papers about the importance of what the Roman Catholic church had just called the 'option for the poor'. But it urged attention to a minimum essential level of education without feeling the need to develop a corresponding critique of higher education.

The *Education Sector Policy Paper* at the beginning of the 1980s (World Bank 1980) was remarkable in that there was almost no more than a page or two of discussion on higher education in some 100 pages of text. What it did say in a section that was also concerned, like the 1994 paper, with what it called 'lessons of past experience' was in fact rather positive about higher education. True, there was a feeling that lending for low income countries ought to focus on meeting the minimum needs for learning of both children and adults, and that, as a corollary, support for higher levels of formal education should be selective and carefully planned. By contrast, more attention should be given to secondary and higher levels of learning in countries that had already achieved substantial access to basic education. On the other hand, there was general support for the notion of building technological and professional excellence, managerial capacity and basic research capacities. One-off isolated improvements in higher education, it argued, should be avoided. Rather, the focus should be on efficiency and management across the university system as a whole. Nor should higher education just mean universities. Alternatives to the university model should be developed, 'such as community colleges, polytechnics and the open university' (World Bank 1980:93).

In the same year as the 1980 sector paper, Psacharopoulos, at that point a consultant to the Education Department of the Bank, had written a working paper on *Higher education in developing countries: a cost-benefit analysis* (Psacharopoulos 1980). The author would later be identified with a very critical analysis of university costs as compared to the returns to be expected from primary school investment (Charleson 1994). But it is intriguing to note that he approached this early paper in a situation in which higher education often found itself 'at the bottom of the hierarchy when considering priorities in educational planning' as compared with the common prescription to inject money into basic and especially vocational education (Charleson 1994:1). In fact, the conclusion of the paper is that the return to higher education was higher than the returns to physical capital, and a stronger case was made for general (liberal) higher education than vocational higher education. Certainly at this stage, it was not being argued, as it would be in *The Lessons of Experience,* that the reform of higher education, especially through cost-sharing and diversification of finance, would 'help countries free up some of the incremental public resources needed to improve quality and access at the primary and secondary levels' (World Bank 1994:85-86).

We have argued elsewhere (King 1991a:248) that 1980 was something of a watershed year for the Bank in terms of educational policy analysis. It had just been told by an international advisory review that its own education research capacity was underfinanced, unfocused and not tied sufficiently into its operational work. Consequently, it had begun to deal with its own relative incapacity in educational policy analysis by hiring new staff. Shortly, there was talk of a higher education policy paper being written with regional papers on Africa, Asia and Latin America. This early 1980s' initiative to develop a higher education policy paper in fact faltered. But one of its intended components, the Africa paper, was completed during 1984 and became available a year later as *Issues Related to Higher Education in Sub-Saharan Africa* (Hinchliffe 1985).

By the time this appeared, there was available from a series of other staff working papers a set of concerns which would shortly become commonplace in the battery of charges levied against higher education and against the African university in particular. These were: its very high unit costs as compared to per capita income (10 times higher), and also as compared with primary education (50 times higher); under-utilisation of facilities; excessively high non-teaching costs, and allegations of over-subsidisation of already privileged students by needier members of society. Hinchliffe's report looked in detail at the composition of these high costs, and showed that although the generous student/teacher ratios of 7:1 (and even 5:1 in science departments) were a contributing factor, it was explained more by the high expenditures on non-teaching staff, and on students' maintenance and living allowances. Hinchliffe did note that there were universities with a very different picture - of overcrowding in libraries and lecture halls, and of over-worked and under-rewarded staff. He warned against too easily generalising about costs.

However, within a year of his report being finished, work was starting on the sub-Saharan Africa policy paper, and it seems clear that this African policy paper would draw heavily upon the basic shape of these earlier criticisms, possibly in a way that was to be parallelled later in *The Lessons of Experience*.

From higher education in the sub-Saharan Africa policy paper to *The Lessons of Experience*

Prior to the 1994 higher education paper, one of the more visible and widely disseminated commentaries on higher education was contained within *Education in Sub-Saharan Africa* [hereafter ESSA] (World Bank 1988). The chapter on higher education in this volume was only 12 double-column pages long, but it packed a good deal of punch, even though its data-base was sometimes less than adequate. Like *The Lessons of Experience*, ESSA's treatment of higher education had just four major issues at the heart of its critique of the sub-sector. These were:

- Inappropriate mix of outputs;
- Low quality;

- High costs; and
- Inequitable and inefficient finance.

These may be usefully contrasted with the four concerns that make up the core chapters of *The Lessons of Experience*:

- Differentiation of higher education institutions;
- Diversification of finance;
- Redefining the role of the state in higher education; and
- Focus on quality, equity and responsiveness.

It can be readily seen that quality and equity are mentioned in both. There is considerable overlap also in the treatment of the reasons for the high costs and in the rationales for diversifying the funding and finance. Two of the more obvious differences in emphasis, within the actual argumentation, are associated with the role of the private sector and the role of non-university institutions.

Diversification of provision

The ESSA policy study did mention expanded cost-sharing by beneficiaries being achieved by such measures as the establishment of privately owned and financed institutions of higher education and also by fee-paying in public institutions, in the first instance for maintenance and later for tuition. But it was not a constant theme of the chapter on higher education, though it was argued that both at secondary and higher levels of education, private provision should be encouraged. By the time of the 1994 study, however, the role of the private sector was much more frequently emphasised. Indeed, the expansion of private provision and its potential link to future Bank investment are heavily underscored:

> "Countries prepared to adopt a higher education policy framework that stresses a differentiated structure and diversified resource base, *with greater emphasis on private providers and private funding*, will continue to receive priority" (World Bank 1994:86; emphasis added).

Similarly, in the ESSA study the focus of the treatment of higher education was principally on the public university sector, whereas in 1994 one of the main themes was that there should be diversification of higher education, with attention paid not only to the importance of private providers, as just mentioned, but to the whole range of non-university institutions. In the ESSA study, the only notable focus for diversification had been at the university level with the suggestion that much more emphasis should be given to extra-mural degree programmes, on grounds of reducing unit costs and also reducing the dangers of 'political turbulence' from large concentrations of full-time students in the capital cities

(World Bank 1988:79). By 1994, there was still a strong emphasis on the open or distance university, but to this was now added the very strong emphasis on the many alternative institutional forms for delivering higher education. Indeed this idea was included in the *Initiating Memorandum* which launched the higher education study, as early as 1989 (World Bank 1989b:5). The attraction of these alternative forms of post-secondary, non-university education was that they were cheaper and often more targeted at specific middle and upper level employment.

Though there are examples of some considerable differentiation of provision in Africa, e.g. in Nigeria, it is clear that it is from other regions of the world than Africa, and notably from Asia and parts of Latin America that the models of 'best practice' are drawn for the 1994 paper: "Among all world regions, Asia is the region where differentiation efforts have been the most extensive and most effective" (World Bank 1994:30). It would have been more accurate to say East and South-East Asia rather than Asia as a whole. But, at any event, the contribution of these sub-regions to the diversification proposal, and to many other of the key issues of *The Lessons of Experience* is evident from Maureen Woodhall's synthesis *Turning Points in the Development of Higher Education in Asia* (Woodhall 1992). This paper was the result of the Asia Technical Division of the Bank's desire to learn from the lessons of East and South-East Asia (but including India) and was thus not, strictly speaking, commissioned as part of the preparation for *The Lessons of Experience*. It was nevertheless presented at one of the key consultative seminars in Asia in the process of developing the Bank's 1994 paper. Beyond identifying diversification of structure as one of the main characteristics of East and South-East Asian higher education, the wider region of Asia began to be seen in this and in other Bank publications (e.g., Tan and Mingat's *Education in Asia: a comparative study of cost and financing* (Tan and Mingat 1992)) as the site of the alleged Asian miracle in higher education: little public investment but massive coverage (both differentiated in type and in the extent of private provision). Indeed, one of the axioms repeated in *The Lessons of Experience* is certainly Tan and Mingat's "apparent paradox - high coverage despite relatively little fiscal effort" (Tan and Mingat 1992:11). From this and other sources, Asia is made to illustrate a relatively minor role for the state in funding higher education and yet a huge expansion of the sector.

Nor is this pattern of high coverage of non-university higher education one that the World Bank itself can claim significantly to have assisted (Eisemon 1992). In East Asia, the pattern of its own lending to higher education was massively greater towards university development than alternative forms of higher education (33% of all its higher education lending went to East Asia, and this involved ten times more for universities than polytechnics, for example, in the period 1980-1991). Whereas in South Asia and Latin America, the Bank appears to have lent very little for universities (just 2% of its total higher education lending for this period). In the region where the Bank judged the bias towards a completely university-based higher education profile was worst (sub-Saharan

Africa), it is interesting to note that it invested ten times more in universities than in polytechnics during the same period (World Bank 1994:29-30, 81).

Thus, the virtues of a highly diversified higher education system do not really appear to have emerged from the Bank's own lessons of experience but rather have been hit upon as a feature of the very region that illustrated so much else that the Bank wished to project as good practice, principally in its economy but also in its education system.

Quality of education to be conditional on adjustment of finance

As far as the analysis of quality of education is concerned the ESSA paper was in some sense a milestone. It admitted, possibly for the first time, that there was a 'quality' dimension to some of the most famous quantitative lessons of World Bank research experience. The much disseminated Bank findings about the monetary and non-monetary returns on educational investment were admitted in this ESSA report to be dependent on the maintenance of a minimum essential level of quality:

> "To the extent that the *quality of education* has declined recently and is allowed to deteriorate further, new investments in the *quantity of education* may not yield returns commensurate with those in the past" (World Bank 1988:7; emphasis added).

The Bank in fact admitted that "direct and hard evidence ... on the quality of the outputs from African higher education' was not available in the mid-1980s, but it nevertheless considered that 'indirect evidence of a crisis of quality in African education is overwhelming" (World Bank 1988:74). The argument was essentially that the wider economic crisis in Africa and the consequent shortage of foreign exchange have meant the virtual disappearance of inputs and materials essential to the productivity of the universities (see further King 1991a:253-54). In ESSA, none of this is tied down with much in the way of rigorous research findings (King 1989). But the more important dimension of the quality discussion in ESSA was the conclusion that nothing significant could be done on the quality front without first addressing the Bank's other major concerns with finance. "In other words, the financial adjustment of higher education must precede quality improvement'" (World Bank 1988:78).

This conditionality attached to quality improvement is even more clearly stated six years later in *The Lessons of Experience*. There, the chapter 'Focusing on quality, responsiveness and equity' has very little to do with the analysis of quality in the teaching-learning situation or with the research findings now available on its improvement (Kells 1994; Entwistle 1994). Instead, when the general implications of all these lessons of experience for the Bank's own policies are discussed in the 1994 paper, it is clear that quality is a second-order consideration. Financial adjustment is a precondition for quality improvement, both in higher education and in lower levels:

> "Reform of higher education, and particularly strategies for mobilising greater private financing for higher education through cost-sharing and the promotion of private institutions, can help countries free up some of the incremental public resources needed to improve quality and access at the primary and secondary levels... World Bank lending is increasingly designed to support reforms of financial and managerial policies necessary to establish a more equitable, efficient and higher quality system" (World Bank 1994:85-86).

Another conditionality: higher education only after adequate provision of primary and secondary education

One of tensions that has run through Bank thinking about higher education in the poorer countries of the world is the trade-off between higher education provision and adequate support for primary and secondary education. In the ESSA study, there was some very frank discussion about the changing fortunes of the rate of return approach to investing in education, and it was mentioned that in Kenya, for example, research suggested that the differential between primary and secondary rates of return might have completely disappeared. By contrast, *The Lessons of Experience* is much less diffident about the rate of return approach to investment. For the poorer countries of the world, or rather those that have not yet achieved universal literacy and adequate access, equity and quality at the basic education levels, it is argued that the top priority will be World Bank lending for primary and secondary education rather than for higher education:

> "Within the education sector, however, there is evidence that higher education investments have lower social rates of return than investments in primary and secondary education... In these countries [just referred to], the Bank's involvement in higher education will continue to be mainly to make its financing more equitable and cost-effective, so that primary and secondary education can receive increased attention at the margin" (World Bank 1994:84-85).

What is intriguing about the confidence of these statements in the main text of the 1994 paper is the admission, tucked away in an Appendix of *The Lessons of Experience*, that the whole basis of rate of return analysis underpinning these results, is by no means unanimously accepted within the Bank. In particular, a Report of the Operations Evaluation Department (which might justifiably also be regarded as a body designed to extract lessons from Bank experience) made the following statement in a report of 1993, referred to in the higher education paper:

> "The Report noted that too much faith has been put in the results of conventional rates of return analysis, which led to the recommendation to reallocate resources from higher education to the lower levels of education. Given the methodological limitations of that approach, and the importance of higher education for producing the professional and technical specialists required by each country, the report called for increased Bank attention to the needs of African higher education institutions" (World Bank 1994:94).

This caveat within the Bank paper on higher education would suggest that there are certainly policy priorities on higher education which remain still areas of debate within the Bank itself. In this respect it will be interesting to see whether in the Education Sector Paper of the Bank scheduled for early 1995 (World Bank 1995), the relations amongst primary, secondary, higher and technical levels of education are satisfactorily sorted out. But from this short discussion it is evident that, compared with the 1988 paper, the higher education paper of 1994 does much more strongly emphasise diversification (towards private and towards non-university institutions), though these institutions were not themselves the recipients of Bank lending in most countries.

However, it is important also to shift now to the capacity-building dimensions of *The Lessons of Experience*, and see to what extent the paper managed to integrate its four priorities for higher education with the Bank tradition of thinking about capacity-building.

Capacity-building from a situation of incapacity

One of the strongest messages about capacity to emerge from the higher education paper concerns the current incapacity of higher education systems. In the sections related to the 'crisis' of these systems, it is swiftly established that there is declining capacity for teaching and research, particularly in Africa. This decline has been especially worrisome in scientific and technological capacity, but has not been restricted to Africa. Indeed, it would appear that it is only in parts of East and South-East Asia that these declines have not occurred, but where instead there have been very major increases in the scientific output of universities.

In this connection it is interesting to note in a separate Bank paper (Muskin 1992) that of all World Bank projects in support of science and technology (S&T) in higher education and in industry since 1970, no less than two-thirds were executed in the Asia/Pacific region, and of these 80% went to three countries (China, Indonesia and South Korea). In terms of value, more than 75% of the value of all S&T projects went to Asia, and somewhat less than 5% went to the Africa region. Muskin's paper concludes that it is the very presence of infrastructural and research capacity in these particular parts of the world that accounts for Bank projects, and the reverse is true for Africa:

> "The major reason for this disproportion appears to be the fact that these countries already have relatively extensive university and industry systems - with infrastructure, a coherent policy environment, and a coordinated cross-sectoral strategy - which are *capable* of absorbing considerable investment... The same reasoning applies, although in reverse [for Africa]: the lack of a sufficient infrastructure and other conditions for investing in large-scale science and technology projects has constrained bank investments" (Muskin:55-56; emphasis added)

Very little is said about this differential, regional pattern of investment in the present World Bank paper, but it is acknowledged that what seems to have worked best for effective institution-building in China and South Korea is a comprehensive strategy of long-term support to both higher education and industry (World Bank 1994:83-84). By contrast, it would appear that the emphasis in African higher education support by the Bank since 1986 has been more on higher education reform than on science and technology capacity development:

> "In all ten countries [where sector adjustment loans have contained an element for higher education] these reforms have focused on containing or reducing public expenditures for degree-granting higher education institutions, combining restrictions on enrolment growth with lower per-student grants and subsidies as well as the introduction of a variety of cost-recovery measures" (World Bank 1994:83).

In other words, there would appear to be a different Bank policy regime in respect of higher education investment in Africa than in parts of Asia. The explanation may be partly what is suggested above (that the Bank's support to capacity-building is contingent on there being a relatively high level of capacity already). But in addition, as we have noted, this 1994 paper argues that for countries which have not yet achieved universal literacy and adequate access, equity and quality at the primary and secondary levels, Bank involvement in higher education will continue to be mainly to make its financing more equitable and cost-effective. It is doubtful if this can really be an entirely adequate explanation for the different investment policy regimes in Asia and Africa. Since it must be remembered that China and India alone hold more than half of the world's almost one billion illiterates (UNICEF 1994:5).

Quality and capacity

Returning to our earlier concerns with the present crisis in the capacity of many higher education systems, it would seem that for many countries what the Bank would earlier have considered as unacceptably high cost, low participation higher education systems have rather rapidly been replaced by dramatically lower cost, higher participation regimes. But the casualty has allegedly been quality. Partly, this has been the result of the failure of institutions in all regions to provide the pedagogical and infrastructural support to the expanding student populations; and partly it has been as a result of massive reductions in the value of university salaries. Which, in turn, has led directly to the flight of highly trained people to other jobs or other countries, or to university teaching becoming for many, within just ten years, a part-time job. Perhaps irreversibly.

In a sense, the Bank seems to be in something of a catch 22 on the questions of quality and capacity. In the 1960s and early 1970s, the world-famous institutions of higher education in Africa from Uganda to Nigeria to Senegal were minute, extremely high cost, very selective, international in their staffing, conference participation, and networking, and highly productive. In most cases, these institutions were the result of a particular capacity-building strategy, much influenced by the Rockefeller and Ford Foundations, as well as by bilateral agencies such as the ODA (Overseas Development Agency) (Coleman with Court 1993). Interestingly, elements of that earlier vision of academic excellence still seem to have a place in the Bank's current thinking about high quality university education; the new examples mentioned in the 1994 paper are from Singapore, South Korea, Philippines and India, as opposed to Africa, but it is the same formula: international exchange, recruitment, partnership, evaluation and secondments, along with high levels of selectivity for student access, and expectations of high productivity for staff.

Undoubtedly, the unit cost per student of some of these cited centres of excellence, such as the Indian Institutes of Technology, are probably as different from the unit cost of a student in the local state-level university in India, as a Makerere or Nairobi student today is in comparison with a student in the 1970s. And yet, overall, it seems to be argued that African universities, in particular, have lowered their unit costs by expanding, but have lost their capacity for high-quality teaching and research. By contrast, it is implied that Asian systems are not only less of a drain on government budgets than any other region, but it is also only in the newly industrialised countries of East and South-East Asia that scientific output has significantly increased.

There is something of an historical irony in all this inter-regional comparison of quality and capacity-building. It should be remembered that during the colonial period, South Asian systems -- which had expanded dramatically on the basis of the 19th century London university model (of a central examining body with many associated colleges) -- were frequently despised by the colonial powers for their low quality (and their association with the development of nationalism). Many African universities were deliberately designed on a very different set of assumptions - of high and uniform quality in student entry, in teaching and research, set by a London University model of a 100 years later than India. To a significant extent, however, particular regions have continued to be prisoners of their own history of university development, their own model of capacity-building. Thus, India inherited a low, or no-subsidy model, with strong incentives for private, religious or community colleges to link up with a central body that principally set examinations; whereas much of Africa inherited from 1950s' and 1960s' Europe a university based on highly subsidised students, paying no tuition fees and residing on purpose-built campuses.

What is pictured (by the present Bank paper) as declining capacity in African universities could perhaps more accurately be seen as a difficult transition from the inherited model of capacity-building in higher education towards a very different and more open system. And it must also be recalled that, although the numbers now mentioned in the University of Dakar and elsewhere as creating a crisis of overcrowding may seem to threaten the viability and quality of those institutions, sub-Saharan Africa as a whole has had very much smaller numbers of students per 100,000 head of population than any other region. (In 1983, for example, there were 150 per 100,000 in sub-Saharan Africa as compared with 650 in Asia, 1,250 in Latin America, and no less than 5,000 in North America).

In such a situation, it is understandable that the Bank should now state that the 'traditional model of the European research university, with its one-tier program structure, has proven expensive and inappropriate to meet the multiple demands of economic and social development' (World Bank 1994:28); at the same time, much of the discussion about the need to improve the quality of post-graduate training and research seems predicated on some of the very mechanisms that once made Dakar or Makerere similar to the new universities of UK and of France of the 1960s and 1970s.

What is more uncertain in this 1994 paper is whether its message is that the university systems of the developing world, though still small in proportion to their populations, are really already too large, or whether further growth is only justifiable if, like Chile, it is associated with institutional diversification and a reduction in public spending per student. This does seem to be in part what the Bank paper is saying about capacity-building in higher education. And it is also arguing, as we have noted earlier, that for countries which have not yet achieved equity and quality in primary and secondary education, there may well be considerable disadvantages in continued expansion of higher education. In this connection, it is worth noting that one of the single largest additions between the September and December 1993 drafts of the Bank paper is the one that questions, on grounds of rate of return, and of the complementarity of good quality lower and higher levels of education, whether higher education should have the highest priority claim on additional public resources for education. It concludes that for most developing countries further expansion will have to depend on a Chilean-type miracle:

> "the overwhelming fiscal reality in most developing countries is such that quality improvement and enrolment expansion in higher education will have

to be achieved with little or no increase in public expenditure" (World Bank 1994:25).

This is a very hard message to digest, and particularly so when it is recalled that the Chilean reform of higher education was basically designed and implemented by the previous, long-running military regime.

Mechanisms for capacity-building in teaching and research

Having emphasised that quality will need to be secured at little or no additional cost to public funds, (and will in many countries be dependent on prior financial adjustment of higher education), it may be worth analysing the few suggestions that are offered for achieving the critically important increased capacity in science and technology, along with more general improvements in student preparedness, teaching quality and research.

As far as student capacity is concerned, the strongest message is that there needs to be greater selectivity, and greater reliance on high-quality secondary education to produce comparable quality in higher levels. This recommendation, though important, flies directly in the face of much that has been happening in secondary education in the last ten years; in several countries the selective barriers to university entry (such as A levels) have been progressively removed. For teaching staff, on the other hand, it is suggested that there should be a distinction between research capacity and teaching capacity. Institutions concerned principally with teaching would not need to have doctoral level staff, or focus on research performance.

When we come specifically to the mechanisms intended to develop and sustain the critically important research capacity of higher education systems, the model again seems strongly influenced by the example of East Asian newly industrialised countries. For one thing, the development of the universities' training and research programmes are urged to be guided by industrial demands as well as by representatives from industry. East Asian practice is also the model for government-provided cooperative research between firms and industries. And it would appear to be the East Asian industrial context rather than Africa or elsewhere that is being thought of when postgraduate research training is justified in terms of its products staffing "private and public research and development (R&D.) units and high-technology-based manufacturing activities" (World Bank 1994:71). Equally in the matter of overseas training, it is again South Korea and Indonesia that are picked out as situations where the high cost of overseas training can be justified by the capacity of the graduates to find good employment on their return. Whereas often elsewhere, overseas training leads to brain drain or frustration.

Compared with the important debates elsewhere in the Bank (Jaycox 1993) and in other agencies (e.g. ODA 1992; *NORRAG News*, 14, 1993) on the advantages of local capacity-building (in-country or in a third country) versus overseas training, there is really very little in this Bank paper on the topic. Instead, the emphasis is on a different dimension of local capacity - the multiple forms of originally government-induced cooperation between local industry and local academic research centres. It is affirmed as a feature of all newly industrialised East Asian countries that industrialists are regularly consulted on curricula, research and development. And in South Korea in particular, it is suggested that its renowned industrial capacity was actually formed in part by promoting this close relationship between academic research and industry (World Bank 1994:76). However compelling this picture of academic responsiveness to industry may be, it must not be forgotten that a massively important role was taken by the Korean government in determining the shape and training priorities of scientific and technological manpower (Westphal *et al.* 1984).

What makes South Korea different also from the bulk of developing countries is that their industries were predominantly 'indigenously' owned. It is by no means so clear that in the bulk of developing countries, highly dependent on foreign firms and skewed towards particular, limited import substitution, there could emerge the kind of responsiveness discussed in the paper. For one thing, very little local research and development activity is actually located in the branch plants of many multinational firms.

Competition and capacity-building

An important element of the Bank's model for strengthening university capacities in teaching and research is competition. Just as the students entering higher education need to be effectively and competitively selected, so there is considerable faith placed in mechanisms that develop and support peer review through systems of external accreditation, evaluation or competition for resources. To an extent this faith in nation-wide academic quality assessment seems to be based on the relatively recent performance reviews of teaching and research in certain OECD (Organisation for Economic Cooperation and Development) countries, for example the UK. But Korea is again used to illustrate the way that government can take a lead in standard-setting.

It is by no means obvious how such competitive mechanisms might work when there is effectively only a single major institution of higher education in the country, and where government-university relations are fundamentally different from those that have pertained in South Korea. In addition, national performance reviews have been able to build in part upon longstanding traditions of arms-length bodies determining research funding and associated awards and recognition. By contrast in many developing countries, there really are no nationally-generated research funds to compete for, and there have not been for years the small funds attached to Deans of faculties, for pump-priming local research. The notion that competition for discretionary research funds can operate as a lever for quality and efficiency in many different ways is certainly based on particular, very recent experiences, especially of OECD countries. But many academics there would be critical of the shifting meanings of these terms, once they have become key elements to be measured in national competitions.

In the absence of national funds to leverage these kinds of reforms in poorer countries, it is clear that the Bank itself has been providing funding for higher education reform 'on a competitive basis' in Brazil, Hungary, China and South Korea. It will be important to learn more about the sustainability of this type of external funding of internal educational reform, as well as to know more about Bank plans for those many countries which do not have national systems of higher education. Peer review for research funding, teaching quality assessment or for decisions on the publication of books and journals is a very different proposition when there is only a single physics department in the whole country.

Capacity building for policy analysis and implementation of higher education reform

The third aspect of the meanings of capacity-building is that which is connected to the development of improved administrative capacity, both in government and in higher education institutions, to carry through the essential reforms of higher education. At this point, the present Bank paper is linked in with more than 10 years of thinking in the World Bank about the need to strengthen the policy environment for reform. Thus, as early as 1981, it stated:

> "The capacity to undertake this policy-focused analysis should be a priority objective of governments. Donors can assist in building up this capacity and in so doing can help governments ... formulate macro and sectoral action programs. The World Bank is prepared to respond to all requests of this nature" (World Bank 1981:124).

What this implies is that the Bank is aware that its particular set of reforms for higher education are themselves inseparable from the kind of steadfast government policy that has put such reforms into place in New Zealand, United Kingdom and elsewhere. In the absence of such local capacity (and determination), the Bank acknowledges that it will need to intervene to create, sustain or strengthen the very bodies responsible for policing, auditing and implementing these education reforms. In the view of some recent thinking in the Bank, these kinds of policy analysis skills are themselves closely linked to those over-arching objectives of the Bank - good governance and transparency:

> "Real capacity-building is critically important because it is one of the most effective means of helping to promote 'good' governance - and therefore sound economic development. The training of economists, policy analysts,

> managers, accountants, auditors and jurists, for example, can help countries build the capacities needed to ensure transparency, accountability, the rule of law etc." (Wai 1991:13).

These same connections amongst capacity-building, policy analysis and good, transparent government are also evident here and there in the present Bank paper. Most notably in the section on 'Capacity Building and Institutional Development', the paper draws on a great deal of earlier work by the Bank, in which it is evident that policy analysis is not just concerned with a technical skill, but is centrally about the adoption and development of policy itself (King 1991b). The key package of policy reforms discussed in the paper is therefore itself dependent on major reforms of the policy environment in government:

> "Support for capacity building will continue to be directed toward strengthening the capacity of the government for policymaking and coordinating reform implementation. This often implies Bank assistance in strengthening oversight or advisory bodies with a capacity for policy analysis, evaluation of requests for funding, monitoring institutions' performance and making information about institutions' performance available to students. It can also include support for establishing transparent mechanisms to guide government allocation of public spending on higher education institutions" (World Bank 1994:87).

This is a tall order. And even taller when it is noted that the Bank anticipates having to intervene also at the level of the higher education institutions themselves to strengthen, in parallel with government, their managerial capacity to achieve the gains expected from reform. What this means is that the Bank has in effect to facilitate a process whereby key decision-makers in government and higher education achieve ownership of, and consensus about, the principles of higher education reform. The challenge of what is termed policy-based lending is that the Bank, as an external body, has to intervene to achieve local ownership, through national policy development, of what is clearly a major rationalisation of higher education.

Lessons in implementing unpopular reforms in higher education

One of the Bank's warnings to itself in the ESSA paper's treatment of higher education reforms was that they would likely be interpreted as threats to "deeply ingrained interests of powerful groups in society (civil servants, professors and students)", and that, as a result, implementation would require a level of managerial competence that was uncommon (World Bank 1988:80). The ESSA paper was also honest enough to admit that there was a real political dilemma at the heart of their analysis: that the benefits of high-quality higher education would need to be preceded by some very painful measures on the financial adjustment front. By the time of the 1994 paper, six years later, the message is virtually the same: that reform will offend the affluent and politically powerful elements in society. It might be thought that, in the intervening period, the Bank might have learned something about this politically sensitive process of reform. What are its lessons of experience in this area?

Experience demonstrates that breaking this pattern [of higher education benefiting the already affluent] is essential, and also that the political difficulty of doing so should not be underestimated. In countries with fragile systems of governance, students with grievances - and there will be grievance if subsidies and privileges are reduced - can represent a threat to political stability. Governments therefore necessarily tread warily in introducing reforms that affect the most powerful households and those with the potential to destabilise political regimes (World Bank 1994:26).

It is not clear from the few comments in the 1994 paper whether the Bank has indeed learnt any lessons about the implementation of unpopular reforms in higher education. It is certainly the case that in many different countries, especially in Africa, reforms of higher education (connected in the popular mind with Bank lending) have been initiated. Arguably, if there had been any lessons from the Bank's experience in countries as different as Kenya, Nigeria, Ghana or Senegal, it might be impolitic to reveal what these were in a very public document of this sort. But we certainly do not learn much more than we knew in 1988 by being told:

> "Designing politically acceptable and fiscally affordable policy reform has been difficult, *and implementation experience is not encouraging*. Reform implementation has been opposed by various interest groups and has touched off student rioting in many countries" (World Bank 1994:83; emphasis added).

But what the absence of any detailed discussion of the feasibility of implementation may point to is a tension about the audience of the paper. Is it for Bank staff or is it for the officials in the countries concerned? If it was also intended to influence the higher education projects of the other donors, it misses an opportunity (which was taken in the ESSA paper) to acknowledge what lessons these many bilaterals may have learnt in their years of support to higher education.

Conclusion

The Bank paper of 1994 leaves many questions apparently unanswered about the way it has sought to digest *The Lessons of Experience* in higher education. We have looked at a few of the threads that have connected this paper with earlier thinking in the Bank, but it has not been easy to tease out whether the four great pillars of this paper are Bank lessons of experience or whether they reflect the experience of countries that the Bank thinks others could learn from. We have looked at one or two of the research-based findings that the paper appears to have drawn on, but again the connections between the paper and what seems like the wealth of commissioned work in the bibliography is something that demands a good deal more investigation (see further Girdwood in the next chapter). Equally, there is the need to look in much more detail at the central themes and messages whose origins we have selectively pointed to.

But one of the most worrisome aspects of this particular paper with all the potential sources that it had at its fingertips is the absence of much understanding of the 'value' of higher education. There is a sentence here and there about the institutions of higher education "offering a forum for pluralistic debate" (World Bank 1994:15), but the steadfast concern with what Coleman and Court termed the establishment of "academic communities, research traditions, and scholarly values" is hard to find (Coleman with Court 1993:337; SAREC 1992; *NORRAG News*, 11, 1991).

The Bank's 1988 *Education in Sub-Saharan Africa* ended with a 'Call to Action' and the same was true for the Rockefeller volume with its call for a massive "collective effort to support the creation and sustenance of national and regional intellectual and scientific communities that can play a central part in the application and development of relevant types of science and technology" (Coleman with Court 1993:363). But the Bank's 1994 paper just rather abruptly stops, after noting that most future expansion will be in short cycle and continuing education programmes, in open universities, in diplomas and certificate courses - and of course in new forms of private higher education (World Bank 1994:91). All of this differentiation is now being encouraged by the Bank, even if, as we have seen, there was not much evidence of this earlier: "World Bank investments are more and more directed at improving the quality of training offered by these institutions" (World Bank 1994:91). It may just be coincidence but is it perhaps symptomatic of a fundamental lack of interest in the mission, vision and cultures of higher university education that the last sentence of this important paper should be addressing 'training' rather than 'education', and should be promoting various forms of 'non'-university higher education?

A partial answer to that question may come from looking much more closely at the foundations of the main argument as they have been built up since the Bank paper was initiated five years ago, and in examining what was the role of the mass of work deliberately commissioned by the Bank to support and inform its review of higher education in the developing world. For this research base of the paper, we need to move to the next chapter.

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Shaping the World Bank's higher education paper: dialogue, consultation and conditionality

Alison Girdwood

Introduction

This contribution comments on the process by which the World Bank's higher education paper (World Bank 1994) evolved. It traces very briefly the development of the paper from the initial programme of work envisaged in a 1989 *Initiating Memorandum* to the published version. The aim is to explore the purpose and likely function of the higher education paper, and the manner in which its recommendations were assembled. The paper's formal standing as a World Bank publication approved by the Executive Board suggests that the options presented will be limited in their potential scope: but was that evident during the process through which it developed?

Further, according to its introduction, the paper was intended "to draw lessons from recent experience to inform and sharpen policy discussion both in the Bank and among our borrowers" (World Bank 1994:vii). In the light of this claim, it is important to understand the World Bank's attitude to the research it commissioned, and the manner in which that research was interpreted and subsequently utilised to support the paper's recommendations. Attention is also paid in this contribution to the consultative process designed as part of the project, as this is held by the Bank to have played a significant part in shaping the paper.

To undertake this study, I visited the World Bank headquarters in Washington D.C. in late summer 1994, shortly after the publication of the higher education paper. I was able to interview some of the staff most closely involved with its production, and to acquire a collection of some of the background papers commissioned as part of the project. The volume and range of these studies is such that they could not be adequately discussed in a short paper, and I aim therefore to look instead at the process through which the paper evolved, and the prioritisation of the four key recommendations made in the final version (i.e., greater differentiation of institutions; diversification of funding; redefinition of the role of government; and promotion of policies designed to give priority to quality and equity objectives). This paper does not attempt a full discussion of the material gathered at the World Bank headquarters, and many pieces of research are not mentioned. What it does aim to do, however, is to select a few stages in the paper's evolution to comment on the way in which background material was commissioned and used, and the extent to which its accumulation did or did not shape the final published paper. Much of the material used is unofficial, mostly draft outline papers, and quotations should therefore be regarded as distinct from the final (approved) paper which was published in 1994.

A further qualification should be added. Many individuals have had a role to play in the development of the higher education paper, and it is unlikely that any two of them still hold the same basic collection of information for future reference. It is apparent that - beyond a small core of material - there is no tangible knowledge base as such, but a continuum of material produced both internally and externally, for a range of purposes. The categories of papers produced range across the following: (1) papers specifically commissioned as part of the project; (2) existing (and ongoing) regional discussion papers and reports; (3) reports produced by the Bank's Operations Evaluation Department; (4) an assortment of papers from external sources (including academic publications); and (5) papers produced for the study tours and seminars undertaken by Bank staff. It is not possible to identify from these a specific and publicly-accessible body of material, in part because many of the papers are unpublished and dispersed in different parts of the Bank, but also because the staff responsible for the preparation of the paper are themselves now mostly engaged in different areas of work.

Finally, there is a source of knowledge which cannot easily be externally identified or scrutinised, but which is clearly important. This is the knowledge and the experience contained within the Bank's own organisational structures: in its institutional memory, its traditions, hierarchies and patterns of control and review. These institutional factors will have contributed to or modified the shape of the paper to a significant extent, but may have done so without trace.

The higher education paper

The publication of the higher education paper was the final stage of a project undertaken over a period of five years, involving a range of World Bank staff, government representatives, senior academics and policy-makers in developing countries, and a large number of specialists, experts and consultants. The work for this particular project was carried out in a series of different World Bank sections and departments by different personnel, the changes being largely the result of internal Bank restructuring exercises.

Much of the coordinating, planning and developmental work on the higher education paper was undertaken by a team established in the (since restructured) Population, Human Resources, Education and Employment division (PHREE), under the leadership of Jamil Salmi and the general oversight of Adriaan Verspoor. The task had, however, been initiated by the first task manager, Viswanathan Selvaratnam, who was responsible for designing the original work programme in 1989.

At the outset, it was anticipated that the higher education paper would form the final volume in a series of policy papers on education: it was intended to complete separate papers on all sub-sectors in education, formulating policy guidelines and amassing detailed evidence from around the world. The series was not, however, completed, and the higher education paper is *not* a policy paper.

In the foreword to the published paper (signed at Vice-President level by Armeane Choksi, the Vice-President, Human Resources Development and Operations Policy), the issue of the higher education paper's status goes largely unremarked: "The study is part of a broader search for ways to improve the effectiveness of World Bank support for education. The work program began with two Policy Papers, *Primary Education* (World Bank 1990) and *Vocational and Technical Education and Training* (World Bank 1991). This report on higher education is the third in the series. An overview paper is now being produced that will summarize the issues and policy recommendations for the education series as a whole" (World Bank 1994:vi-vii). This suggests that the higher education paper fits squarely within the series of sub-sectoral policy work. However, it is significant that the higher education paper was not issued as formal policy - a matter of more than nomenclature, as the paper is the product of several years of policy work.

There are also distinct differences in the publication and status of the papers. Unlike the first two studies, *Higher Education: The Lessons of Experience* has been published as a guide to 'best practice'. It was issued in the Development in Practice series as a stand-alone volume of 105 pages, including a (selected) bibliography of 10 pages, whereas the first two studies were published as formal policy papers, with substantial hardback companion volumes incorporating key studies and extensive bibliographies. A commercially-produced volume incorporating some of the higher education studies will however be published in 1995.

There has been little discussion of why the paper was published as a guide to 'best practice', and what this actually means. The preface to the paper gives its purpose as the following: "to highlight and make widely available the lessons of experience with higher education in many countries. [The paper] brings together the results of a large number of thematic reports and regional case studies on higher education either specifically commissioned for the study or prepared as part of the regular activities of World Bank operational departments" (World Bank 1994:ix). This suggests that the paper was intended to present an authoritative and researched guide to good practice in higher education policy-making, and that the background studies and 'lessons of experience' are important. It might therefore be anticipated that the paper would be considerably longer than its predecessors to allow full discussion of its case studies, but this is not the case.

In an illuminating discussion of the process by which the policy work developed, Adriaan Verspoor, former Chief of the Bank's (former) Education and Employment Division, who oversaw the major part of the work on higher education has explained that this discrepancy was dictated by organisational constraints: a comparatively small budget of US$ 2m had been allocated for a five-year programme of policy work on education, and, with ever-increasing external pressures on the Bank, plus a restructuring at a senior level, the emphasis of policy work was reoriented to other priority areas, particularly labour market reform and poverty reduction. Expenditure upon developing policy on higher education, in which the Bank already had a good deal of knowledge, was given a lesser priority, and the programme of activities was curtailed. Planned work on secondary education was not undertaken (Verspoor 1994:33-37). This does not however explain the paper's publication in the Development in Practice series. The dividing line between the presentation of policy *per se* and recommended options in an official publication must be considered to be fairly minimal, and what is considered 'best practice' will be constrained by the framework of existing Bank policy. Material approved for publication under the Bank's imprint must conform with its overall mission, as defined in its Articles of Agreement. Further, despite the standard disclaimer in the preliminary pages that the book "is a product of the staff of the World Bank, and the judgments made herein do not necessarily reflect the view of its Board of Directors or the governments they represent" (World Bank 1994:cover page), the text was in fact discussed extensively within the Bank, and the final draft approved by the Executive Directors of the World Bank to whom the Board of Governors has formally delegated executive authority. It must therefore be concluded that the paper does have official standing and, while it does not present World Bank 'policy', it is at least in line with the Bank's philosophy and mission. While the paper gives a series of options for reform, it must be expected that these will ultimately conform to existing policy and practice.

Finally, the overview policy paper covering the education sector as a whole is scheduled for publication in February 1995. Preparation of the overview paper is currently being undertaken by another team within the Education and Social Policy division - the successor to the Population, Human Resources, Education and Employment division - and it will be a matter of interest to observers to note how a non-policy paper is incorporated into new policy work. In particular, it will be of interest to note whether the overview paper's recommendations correlate closely with those made in earlier sub-sectoral work. Such work might ultimately shed some light on the standing of the higher education paper.

Nature and purpose of the project: the 1989 *Initiating Memorandum*

An early attempt to set out the nature of the project, was the 1989 *Initiating Memorandum* or work programme, drawn up before the restructuring which led to Jamil Salmi's appointment as task manager. This stated:

> "To date, the Bank's lending policy towards higher education has not been spelled out in any detail ... The lessons that can be learned from successful Bank lending experiences, from research findings and more generally from several decades of investments in higher education by national governments, should be synthesized to guide the Bank as well as to assist our borrowers in designing programs of policy reform and institutional strengthening ... a

> coherent program of policy work and research targeted at a series of studies pertaining to specific policy issues and regions is urgently needed. These studies could eventually become the basis for a broad and coherent policy document" (World Bank 1989:1)

At this time, the projected policy paper was to be very much focused upon the Bank and its relationship with its borrowers. Until this point, World Bank policy had been largely implicit, requiring detailed exploration of its lending history in discussion papers (as in, for example, Ziderman (1990) and the final chapter of Hayhoe (1989)). The policy paper was to be a functional document which would clarify the Bank's lending policies, and allow it to use analysis of previous lending experience to target future lending more effectively. Research was to be directed towards 'specific policy issues and regions', and was ultimately designed to assist with the primary purpose of clarifying policy.

The *Initiating Memorandum* identified the three audiences whose involvement would be necessary for the policy formulation process to be successful: firstly, the political leadership and senior ministry officials among the Bank's borrowers; secondly, educators themselves, from both the public and private sectors; and, thirdly, other aid agencies. While the latter group were included because of their 'rich experience', the rationale for inclusion of educators was the following: "Since the top echelons among this group are well informed, articulate, and have easy access to the media and leaders outside the educational establishment, their voice is powerful. The cooperation of higher education staff would also be valuable not only for the insights that it might provide, but also for minimising the risk of conflict at a later stage of launching policy changes" (World Bank 1989:4). While this must be viewed as a rather cynical - if realistic - approach, it also indicates the political nature of the task. For this reason, consultation was to form an important part of the policy formulation process. It is less clear whether the primary role of consultation was to be that of information- gathering; or whether it was instead to be consensus-building and the dissemination of policy at an early stage to reduce the political risks associated with policy implementation.

The *Initiating Memorandum* indicates a certain urgency and a desire to avert the criticism which had previously been levelled at the Bank, citing a perceived bias towards primary education. It emphasises the breadth of approach that was to be taken: "Leaders in the international higher education community and education policy makers in developing countries frequently see the Bank lending and conditionalities narrowly focused on cost recovery and negligent of quality and social equity issues" (World Bank 1989:8). The planned approach therefore sought to broaden the scope of Bank concerns.

The areas for study were identified as the following: (1) External Efficiency (matching enrolments to labour market needs; the production through research of knowledge and technology); (2) Internal Efficiency (cost management; quality;

the cost-effectiveness of new technologies and alternative delivery systems); (3) Finance (diversifying university outputs and sources of finance; cost recovery); (4) Governance (role of the government; professionalising higher education management); and (5) Equity (the incidence of burden and subsidy). Encouraging private provision and differentiation of institutions had not yet been identified as priorities, and the importance of governance as an issue was less significant than in the latter stages of the project. It is not clear however that the emphasis upon social equity quoted above is any greater than, for example, in *Education in Sub-Saharan Africa* (World Bank 1988) which takes a relatively narrow view of equity and where quality is subsumed under 'internal efficiency'.

East and South-East Asia were identified as providing major examples of success for further investigation, in part because they represented "countries with a stable political environment, robust economic growth and minor policy distortions in higher education" (World Bank 1989:3). However, while these countries might indeed provide examples of successful reform, it is evident that such success would be contingent upon favourable political and economic circumstances, and would not be easily transferable for replication elsewhere.

An extensive work programme was proposed, including the following:

1. A review of Bank lending, which would focus upon the themes identified for the paper (those of external and internal efficiency, quality, financing, governance and equity);

2. A series of thematic studies which would analyse specific issues in depth, including the following literature reviews and research studies: (i) state of the art papers; (ii) in-depth original and secondary research to fill in major knowledge gaps in selected priority areas; (iii) a regional study of higher education in Asia (studies for other regions were already available); (iv) country case studies, especially of countries that had been successful in maintaining quality and efficiency in higher education;

3. Higher education policy research topics: both public and private sector institutions would be studied, with particular attention being paid to the issues of efficiency, finance and equity. These would enable policy recommendations guiding Bank lending in higher education to be drawn up.

4. In addition, the final research strategy would involve a multifaceted study including: concept papers; state of the art studies; surveys of actual practices; case studies based on national systems or innovative strategies; and original empirical analysis using either existing or new data. Concept papers would be used "for those research questions where the precise questions, relationship, or data are unknown or unavailable" (World Bank 1989:11). Their purpose

was the development of theoretical frameworks which would contribute to a better understanding of particular issues in higher education.

Consultation and external networking

In this preliminary work programme, there was strong emphasis on consultation, and it was stated that:

> "Particular effort will be directed at keeping higher education policy makers informed of progress of the studies, while soliciting their co-operation and suggestions. To this end, a number of regional seminars will be conducted to share the findings of the General Operational Review and to review details of the policy study as they are produced. Rather than taking a passive role, participants will be asked to prepare papers discussing how particular policy issues are being treated in their own countries. During these regional seminars case material from each of the countries represented will be organized for use in the policy studies. Similar attention will be directed at major aid agencies, which will be requested to summarize the scale, direction, and consequences of previous aid, and to outline future aid efforts and policy directions" (World Bank 1989:12).

In addition to this, a network on higher education - the International Higher Education Advisory Network - was proposed, to comprise leading international experts and practitioners. Within the Bank, a Peer Advisory Panel was to be established, to review proposals and reports, and to monitor progress against fixed deadlines.

Implications of the 1989 project outline

We can therefore see the proposed emergence of an apparently broad and wide-ranging series of studies, focused on key Bank concerns but extending beyond them. It is likely that at this stage the study would already be under-resourced, however, as the scale of proposed work was enormous, and possibly very much more ambitious than could be justified for the Bank's purposes. Further, despite the attempt to include broad-ranging issues, the themes of efficiency (internal and external) and finance clearly predominated.

The proposed consultation programme was equally ambitious, and would have represented a significant departure for the Bank, as the process outlined appears to have been designed to be genuinely iterative despite the political approach noted above. However, what such a consultative process could actually have achieved is less certain, as it is unlikely that this strategy would have succeeded in ensuring mutual agreement between higher education constituencies, borrowers and the Bank. On a strictly practical level, consultation on this scale would have required intensive administrative effort and would have had high resource requirements. It is apparent that such exercises are not always favoured by senior staff in the Bank, and are not routinely included in budgetary allocations for policy work. Although the precise scale of the proposed work is unclear, even at a modest level it would have taken up a disproportionate amount of financial resources and staff time to uncertain ends. Given that the budget for the policy work on education as a whole was comparatively small, it is unsurprising that funding for the much smaller-scale consultation process which did ultimately take place was the result of jointly-funded initiatives between the Economic Development Institute (EDI)[1], country technical departments, external institutions and the higher education policy team. Internal resource considerations will therefore have had a significant bearing upon the extent to which consultation was undertaken.

The proposed network was not created, possibly for similar reasons, although it should be noted that the Donors to African Education (DAE) Working Group on Higher Education is serviced (but not funded in full) by the Bank, and that it fulfils a useful coordinating function for higher education in sub-Saharan Africa.

Implementation - the preliminary phase of the study programme

A programme of work was initiated, and a number of studies were commissioned. The original *Action Plan* for implementation of the higher education studies (World Bank undated, but probably drawn up in late 1989, around the time of the *Initiating Memorandum*) indicates the nature of the research undertaken in this early phase of the project. The list of studies (mostly commissioned specifically for the project) was sub-divided into the following groupings: background studies (6), thematic studies (24), and regional studies in EMENA (Europe, Middle East and North Africa) (6 - but commissioned within the country department), Africa (4), LAC (Latin America and the Caribbean) (2) and Asia (5).

The background studies planned included the following: a literature review of the contribution of higher education and scientific research to development; a taxonomy of institutions and systems of higher education in the developing world; a study of the origins of and trends in the development of higher education systems; a compilation of basic statistical information on higher education worldwide; an analysis of World Bank support for higher education (subtitled 'lessons from 25 years of lending'); and a review of international assistance for higher education (bilateral, multilateral and foundation support).

The distinction between the types of studies identified (background and thematic) is a little unclear. The background studies appear to have been designed to produce a solid base of information ('state of the art papers'). The thematic studies were designed to assemble information on organisational issues: for example, resource allocation and utilisation within universities (not identified by region); the role and the organisation of private higher education in selected countries of Africa, Latin America, and Asia; delayed cost recovery by loans and graduate taxes - theory and practice; experience with regional cooperation in higher education; and a study of textbooks, journals and libraries (availability and strategies for provision).

However, other studies were designed to deal with more overarching concerns about the political framework in which higher education institutions were situated, indicating the paper's overall concern with identifying the means for implementation of reform: For example, the politics of higher education reform - a review of evidence from selected countries; a review of patterns of government/university relationships in selected countries and the implications for institutional governance; the role of the state in the financing and provision of higher education; and the influence of the economic and social environment on higher education.

The nature of the studies described in the *Action Plan* indicates the following: (1) a desire to undertake a fundamental and philosophical examination of the nature of higher education which was perhaps more ambitious than could easily be achieved within a pragmatic and goal-oriented organisation; and (2) the nature of the main regional concerns and issues already identified within the Bank. Although a literature review was specified as part of the programme, there also appears to be a certain tendency to 'start from scratch' within this Bank policy work, and some of the commissioned work replicates previously published studies.

Outcome of the research programme: some comments

Assessing the outcome of this programme of work is not straightforward. Many of the studies cannot easily be traced back to the title in the *Action Plan*, nor even to their terms of reference which are frequently very ambitious in scope. Some comments are therefore offered below about the nature of the material gathered throughout the process of policy formulation - as, for much of the process it *was* considered to be policy formulation - but the range of papers means that these comments may appear themselves diffuse. The number of publications listed within Bank records is extensive (approximately 95), and not all appear in the bibliography of the final paper.

It is evident that many papers were commissioned from developing country consultants, although some of these are not recorded in the bibliography. The range of topics covered by local consultants is broad, but not controversial, and many studies appear from their titles to be largely descriptive rather than analytical. The purpose in many cases appears to be that of information-gathering. Many take a theme (e.g., access or gender issues) and relate this to a specific country; while others deal specifically with the issues relating to a country or single university (e.g., Richards (1992), Selvaratnam and Regel (1991)).

A number of the topics which might have been expected to be included, and which appear to be largely unexplored, include in particular organisational and management issues (including staffing and staff development) and the process of implementing or managing change; curricular organisation and the structure of degree programmes; implementation issues and institutional development; the nature and role of the university; student perspectives; and the current debate about quality in higher education. A few papers relating to these themes *are* included, but there was evidently no concentrated programme of research to pursue such issues in significant depth. For example, Fielden (1991) is the only paper cited on management issues, despite the implications of the final recommendations for managerial capacity, and the extensive existing literature on this subject both within the Bank and externally. A full literature review in this area might have been helpful. While it could be argued that these are largely implementation and not policy issues, successful implementation will ultimately depend upon organisational capacity

There is one notable example of a theme which was pursued in rather more depth: the research output recorded for 1992/93 shows a marked increase in papers on the relationship between governments and institutions of higher education and the related issue of accountability. The increase in the number of studies was the result of a research project coordinated from Europe by Neave and van Vught in a joint venture between Bank staff and external researchers. The project involved the collection and analysis of case studies of the government/higher education relationships in a number of developing countries. This work, which followed a pattern of case studies already undertaken in Europe, may be considered to have contributed significantly to the overall emphasis in the final published paper upon the necessity for a coherent policy framework, increased institutional autonomy, and a reduced role for governments.

It is evident from previous Bank literature that governance and institutional autonomy were already issues of concern (and closely linked to the notion of capacity-building), but the studies coordinated by van Vught and Neave provided empirical evidence for further analysis. The university/ government relationship was also pursued in more depth for a single case study in Eisemon *et al*. (1993) (quoted in the final 1994 paper) and was a key factor in a number of the other studies prepared throughout the period, including Woodhall's influential paper (1992b) which considered the relaxation of bureaucratic control and academic autonomy as one of eight policy issues which acted as 'turning points' in the development of Asian higher education.

The themes and case studies pulled together in these studies were to be central to the final shape of the 1994 higher education paper, with its emphasis upon (1) the necessity for a coherent national policy framework; (2) greater reliance on incentives and market-oriented instruments to implement policies; and (3) increased management autonomy for public institutions (World Bank 1994:56). This redefinition of the role of government in higher education was one of four key directions for reform and, arguably, its most distinctive contribution to Bank thinking.

The published version of the higher education paper could not however give sufficient depth to the complexities identified in the case studies. For example, Neave and van Vught emphasise that the market is a concept which is fundamentally different to governmental steering, and that:

> "given a specific set of circumstances including especially the actual phase of social and economic development a nation is in, the state control model may be an understandable and sensible approach to the regulation of higher education. When a higher education system is only limited in size and when the nation in which such a system plays its role is only in the early stages of development of a private sector, the state control model may indeed offer the better governance fit. The choice for either the state control or the state supervising model should to a large extent be based on a thorough understanding of the specific conditions of a nation" (Neave and van Vught, undated, p. 12).

Neave and van Vught argue further that, although flexibility of institutional response to market-driven changes is seen to be one of the major benefits of the move towards a supervisory relationship, it is part of a broad change in the relationship between governments and institutions, and "*does not occur of itself* ... if funding patterns are not wholly responsible for its coming about, they may, *as many of our case studies have pointed out, act as not inconsiderable hindrances to it*" (Neave and van Vught, undated, p. 240; emphasis added). The complexity of these issues was not highlighted within the final version of the Bank's paper, nor seems further research to have been undertaken to address the difficulties raised by the studies in Neave and van Vught.

A number of the papers were commissioned from prominent academics, and their papers frequently drew upon work which they had previously published, for example, Clark (1991), Schwartzman (1990), Johnstone (1992), and Levy (1991). The majority of these papers were subsequently presented at regional and international seminars, which suggests that their function was not that of delivering new insights, but of presenting existing work in a form for discussion within the prepared themes of a seminar. These topics had been identified as the issues of concern within a particular region, and the purpose of the papers was to focus discussion or to inform, rather than to generate new knowledge.

The selection and range of consultants was varied and attempts were evidently made to identify contributors from developing countries. Nevertheless, many of the key papers (notably those on financing and systemic reform) were undertaken by existing Bank staff or those seconded to the Bank (e.g., Albrecht and Ziderman (1991, 1992a, 1992b), Eisemon (1992a, 1992b), Salmi (1991)), or by those undertaking regular consultancy work (Woodhall (1992a, 1992b), Carnoy

(1992), Castells (1991)). Many of the papers for the consultative regional meetings were written locally, but a small number of consultants from the North attended almost all the meetings, generally to present papers providing an overview of key policy themes (e.g., Daniel Levy, Frans van Vught, Thomas Eisemon, and Maureen Woodhall). The impact of these thematic papers, which were often more substantial than the short, more descriptive case studies, is apparent, not least because they were generally works of synthesis, pulling together the concerns of a region or of the policy work overall, and often including detailed case study material.

A large proportion of the studies assembled for the project was not specifically commissioned by the higher education project team, and most of the papers which undertook detailed data analysis were prepared within the Bank's regional technical departments, and would in any case have been undertaken separately from the higher education project. Examples of these influential publications include the following: Tan and Mingat (1992) which aimed to relate differences in policy choices - e.g., in spending levels and allocations - to education outcomes; Woodhall (1992b); Winkler (1990) (which also included case studies of policy choices in financing reforms); Carlson (1992); and Saint (1992). Each of these papers synthesised data within the framework of concerns already identified by the Bank in the specific region, and drew extensively upon World Bank data and sources. The importance of these studies to the shape of the final paper suggests that *Higher Education: The Lessons of Experience* can be seen to a fairly major extent as a synthesis and focusing of existing concerns and statistical evidence, rather than as an exploration of new areas.

A further category of papers, each of which is referred to on numerous occasions within the text of other background papers, is that dealing largely with financial issues. Papers prepared as part of the project include the following: Salmi (1991); Albrecht and Ziderman (1991), (1992a), and (1992b).

Albrecht and Ziderman (1992a) was evidently a major source of material for the case studies included in the higher education paper and contributed significantly to the shape of the final volume, as can be seen by its chapter headings which include the following: 'University Financing and the Role of the State'; 'The Financial Context and Policy Environment'; 'The Potential for Revenue Diversification'; 'Funding Mechanisms and Government Transfers'; and 'The Paths to Reform'. The paper drew on extensive case study material - some obtained from secondary sources - to illustrate funding mechanisms and possibilities for cost recovery and revenue diversification. It is evident that it formed a key part of the work of preparing the higher education paper, and its introduction includes acknowledgements to Adriaan Verspoor, Thomas Eisemon, Jamil Salmi, Laurence Wolff, and Sam Carlson. Unlike the Neave and van Vught volume, the case studies were synthesised within the text, so that any attempt to use the data it contains would be at one remove (or more) from the primary source material. Like all such studies, the work by Albrecht and Ziderman was at risk of drawing together material which was well out of date before its publication: the world of university reform moves swiftly, and by the time the study was utilised, for example, both Britain's UGC (University Grants Committee) and UFC (Universities Funding Council) (both referred to in the text) had been disbanded, and new and very different funding councils established in their place. It can be seen that case studies highlighted as examples of good practice might well already have been discredited by the time of the working paper's publication.

A minor area of literature utilised for the higher education paper was that produced by other bodies for World Bank study tours. While essentially ephemeral, this material was evidently drawn upon during preparation of the paper, and it highlights the difficulties involved in using this method of developing case studies. For example, some 1993 versions of the paper referred to a British higher education 'inspectorate', which has never existed (e.g., World Bank 1993c:12, 1993d:39). It appears that this was because material supplied during a study tour of Britain - a paper prepared by a member of Her Majesty's Inspectorate on the subject of quality assessment - was unintentionally misleading. Without a detailed understanding of Britain's rather complex and interrelated quality assurance bodies, it would be easy to make this erroneous assumption. If, however, slightly misunderstood examples were used to illustrate good practice, it could represent a significant flaw in the methodology.

Finally, there is a wealth of operational knowledge and analysis within the Bank, which appears to have been used, although to a minimal extent. A series of General Operational Reviews and Operations Evaluation Department reviews were issued during the period of preparation of the higher education paper, including the following: DeStefano and Rinaldi (1989); Romain (1990); World Bank (1992b); Muskin (1992); and World Bank (1993g). These and others (e.g., the *Annual Review of Project Performance Results*) are summarised in a couple of awkwardly-appended pages at the end of the final higher education paper (World Bank 1994:92-94), and some of their recommendations incorporated within the text, e.g., the importance of consultation in the reform process. However, there appeared to be some hesitancy about drawing upon evaluative material, in part because of its pragmatic and purely operational concerns, and in part because of a feeling that such material dealt with past problems and situations, rather than the present or the future. Early versions of the paper therefore drew quite heavily instead upon Eisemon (1992a), although by the time the paper was published, the section headed 'Implications for the World Bank' was used instead to set out the framework for an enhancement of policy-based lending, rather than the more reflective tone of Eisemon's conclusions.

The consultation seminars

The significance which the consultation meetings were deemed to have held has been touched upon briefly. Two of these seminars resulted in the EDI publications: the worldwide seminar (discussed later) and that for small states. For the rest, it is difficult to estimate the extent to which they were genuinely consultative, and what bearing the views obtained by Bank staff may have had upon the shaping of the paper.

Seminars were held in each region, all of which addressed the problems and major issues identified within the region (e.g., financial issues in Africa; privatisation, reform and the role of the state in Latin America; and private and public provision in Asia). A preliminary worldwide seminar was held in Kuala Lumpur in July 1991 followed by regional seminars throughout the developing world: an African regional senior policy seminar in Zimbabwe in March 1992; one for small states in Brunei in June 1992; an Asian seminar in Singapore in July 1992; a Latin American seminar in February 1993; one for the Arab states in Jordan in April 1993; one for Central and Eastern Europe in Italy; and another for Francophone Africa. Seminars were arranged jointly between the EDI, regional Bank staff and the higher education policy team. The higher education policy team had - in consultation with regional staff - overall responsibility for the topics and the commissioned papers under discussion as well as for the speakers and the participants.

The numbers invited to attend seminars were necessarily small, with participants comprising the heads of institutions, ministerial representatives, and Bank staff. In a report on the Harare seminar, for example, Berit Olsson described the balance of participants: "Among the 25 invited participants from 16 African countries were 6 Ministers of Education and 8 university Vice-Chancellors, Rectors or Deputies. There were 4 representatives of the World Bank, and 6 observers. Eight resource persons, five representing African Ministries, Universities and University organisations had prepared papers for discussion" (Olsson 1992).

At the Harare meeting, the papers dealing specifically with the central themes of financial diversification and institutional autonomy and accountability were delivered by consultants from northern countries (Woodhall and van Vught). The regional papers can be categorised as dealing with the 'softer', or less central to structural reform, subjects of quality; selection and equity; gender perspectives; relevance; and research, graduate studies and regional cooperation. Viewpoints on the success of this seminar are varied: while World Bank staff felt that it had been a successful part of the consultation process, the report of an observer (Olsson 1992) suggests that the process was not without controversy, as participants felt that they had not genuinely been heard, and that their views had not been taken into account.

The mismatch of expectations over the nature of a consultation exercise is always a danger. *However, some do appear to have gone smoothly. An internal (EDI)* evaluation of the Colombia seminar comments: "The World Bank study was well-presented and well-received ... Participants reacted positively to the main messages presented and appreciated the fact that the study does not advocate a unique solution and yet provides valuable recommendations which can be undertaken according to each country's specific needs" (World Bank 1993f). This illustrates that the 'options for reform' approach was appreciated by the participants - and yet this permissive approach was subsequently amended to the more prescriptive tone of the final higher education paper (World Bank 1994). A danger inherent in this form of consultative participation may therefore be that subsequent changes in approach will not be well-received, especially if a policy paper has undergone radical change in successive drafts following a consultative meeting. Further, Adriaan Verspoor himself has commented on the value of such seminars, but has pointed also to the Bank's failure to provide follow-up seminars after publication (Verspoor 1994:36).

There must be some scepticism about the extent to which seminars of this nature can be genuinely consultative. The papers prepared for the meeting will determine the agenda for discussion, and the real test of a consultation exercise is the manner in which discussions are recorded and then incorporated into subsequent versions of the text. Despite the assertion in the higher education paper's introduction that the consultative process had "proved a valuable channel for sharing information and receiving constructive feedback to guide the study" (World Bank 1994:ix), little record is available of the extent to which this feedback was indeed utilised.

Secondly, there must be some question as to whether the balance of participants was the most appropriate for the intended purposes of regional meetings. The central question is who is supposed to be learning from whom? If genuine consultation or even the dissemination of ideas was sought, then the number of regional participants at each seminar was far too low. Participants were evidently selected for their seniority, and the extent to which one individual can respond to a range of detailed options is questionable. Meetings of this sort are not ideal for genuine consultation, as this takes considerably longer. Further, effort was obviously taken at the meetings to ensure that the number of Bank staff was low. However, if, as seems likely, the purpose of the seminars was quite largely to inform Bank staff of the key issues and concerns in the region, then it might reasonably be expected that either a larger proportion of staff, involved both in policy formulation and in operations, should have been present, or that a formal report highlighting the issues raised by the participants should have been issued.

However, the process was considerably more extensive than might have been the case, particularly given the fact that such seminars are not an automatic procedure on the part of the Bank, and they did give a valuable sense of involvement to participants in the different regions.

The process of consultation and the development of the paper

As stated previously, an internal reorganisation within the Bank meant that the programme of work which had been drawn up was assigned to a new team for completion. Some of the work had begun, however, before the new team took over, with the first pieces of commissioned work being available from the summer of 1990. A number of the key preparatory pieces of work were presented for discussion at the worldwide policy seminar on Improvement and Innovation in Higher Education in Developing Countries in Malaysia in June 1991. In the published report of the seminar, we are told that:

> "The purpose of the seminar was to solicit comments on important issues raised in a number of papers prepared for presentation at, or background readings for, the seminar; to obtain information on countries' experiences in resolving problems in the higher education sector; to widen the analysis and understanding of possible policy options for the World Bank's research and lending programs for higher education development; and to help the World Bank develop higher education policies better through sharing ideas and experiences across a wide range of countries" (World Bank 1993a:v).

The worldwide seminar marked the 'public' start of the higher education paper's development. There was no draft policy paper to discuss at this stage, but the agenda for future thought was clearly indicated by the papers presented, which were the following: A plenary session by Patel (1991); and the following commissioned papers: Castells (1991); Eisemon and Kourouma (1992); Klitgaard (1991); Levy (1991); Tan (World Bank 1993a); Teichler and Winkler with Kreitz (1991); and van Vught (1991). A further four papers were issued as background documents: Blomqvist (1986); Clark (1991); Weifang (1991); and Mingat, Tan and Hoque (World Bank 1993a). Not only were these important papers, but their authors were influential - approximately 50% of the authors contributed at least one other significant paper to the project.

The papers were discussed under five themes: (a) access policies; (b) financing of higher education (including means to avoid the existing dependence on public financing of higher education); (c) the relationship between government and higher education institutions; (d) the role of higher education in developing science and technology; and (e) the role of evaluation. The emphases upon science and technology and on evaluation were not present in the original *Initiating Memorandum* and were clearly items of concern at this period. While a fascination with the Asian experience was apparent throughout the process of developing the paper, at this stage there was a predominant interest in science and technology development and transfer - an interest that was later to focus more upon structural and financial differentiation, as represented for example by Woodhall's synthesis (1992b).

The published report of the seminar (World Bank 1993a) includes very useful analyses both of the content of the relevant papers and of the nature of the discussion. Most importantly, the discussions were used to frame a possible policy outline. In a revised version of a 1991 paper summarising the presentations and discussions at the Kuala Lumpur seminar, Adriaan Verspoor -who at that time had oversight of the project as Chief of the Education and Employment Division - identified this policy framework and commented:

> "The presentations and discussions at the seminar highlighted the general direction of policy reform in higher education. The main dimensions are reasonably clear: emphasis on quality in research and teaching, diversity in institutional missions and programs, selectivity in admissions with deliberate efforts to promote equity, diversification in sources of funding, efficiency in resource use, responsiveness to social demand, and experimentation with new low-cost modes of higher education. The presentations demonstrate a remarkable degree of consensus on the desirability of relaxing government policy controls, and the benefits of increased institutional autonomy and accountability and improved 'quasi private' management practices. The challenge is to strengthen and fine-tune this framework by gathering evidence about what works and under what conditions it works best" (World Bank 1993a:63-64).

While it might be envisaged that there would be some tensions and contradictions within this policy framework (notably interpretations of 'social demand'), Verspoor identified the key elements of the research agenda which would develop it as the following: (1) re-examination of higher education's contribution to technological progress and economic development; (2) identification of strategies for mobilising resources and sharing the burden for developing higher education; (3) rethinking the state's role in financing, providing, and regulating higher education; (4) investigation of countries' experiences with increased institutional autonomy and market-type delivery mechanisms; (5) assessment of strategies for regional co-operation; and (6) investigation of options for using technology and low-cost mass delivery mechanisms.

This represents a shift in emphasis from both the 1989 programme, and from the five themes identified for discussion prior to the meeting (access; financing; government/higher education relationships; role of higher education in promoting science and technology; and evaluation). It can be seen that research had already been commissioned in some of these areas, notably (2), (3) and (4). The emphasis upon (1) began to diminish subsequently, particularly as the higher education policy team began to focus instead upon the relationship between the state and higher education. Research suggestion (5) remained low-profile, as did (6). Evaluation was subsequently dropped as a major area of concern, and the connection between institutional self-evaluation, quality and accountability was never fully explored in any draft of the paper although it was referred to in passing. The quality of teaching and research was not given as a major area of research, nor was the promotion of equity. None of the issues identified was concerned with process, or institutional capacity. The inter-relationship between governments and institutions of higher education was now beginning to emerge as a more central concern, and as an area for future research (3). It is unclear, however, who was expected to undertake this research agenda. Work had already commenced on area (2) - always a primary concern in Bank publications - and more would be undertaken on (3) with the research coordinated by Neave and van Vught. It is not clear that new work was commissioned in any of the other categories.

Beyond the identification of major research concerns, the published summary of the Kuala Lumpur seminar also includes an interesting summary of the major points of consensus and of controversy at the meeting. Points of controversy were: (i) the relative role of public and private financing of higher education; (ii) the effectiveness of student loans as a cost recovery mechanism; and (iii) the impact of centres of excellence and national or regional networks of higher education institutions on research output and quality. All of these might be considered to be major issues which might be expected to have had some bearing upon the policy framework to emerge from the meeting. It is not evident that this was the case.

It is worth noting too that, in a skilfully integrated commentary on the seminar, weaving the concerns of the commissioned papers and discussion during the meetings to produce the policy framework quoted above, Verspoor states as a first principle that:

> "Country conditions shape the nature of policy analysis in higher education ... No universally applicable prescriptions are available. Policy researchers will have to develop an understanding of how the specific problems of higher education that a country faces evolve as it develops. *Identifying policy options and understanding their effectiveness contingent on various country conditions can help policymakers make informed choices"* (World Bank 1993a:60; emphasis added).

This principle reveals the way in which the policy work was conceived at that time: it can be seen that development of an adequate information-base to facilitate this approach to policy formation would have required both a tentative and enquiring approach, with extensive exploration of policy formulation and implementation under variable conditions, possibly including comparative studies of different socio-economic and political contexts. Whether this would ever have been considered appropriate as a programme of research for the Bank, which is after all a lending institution and not an academic institution, to undertake or even commission is less obvious. Some limited work was undertaken by the staff preparing the higher education paper: Jamil Salmi has stated that members of the higher education policy team were engaged in operational work throughout the process of policy work, and were thus able "to put some of the messages of the higher education study to the test of reality of on-going reforms in a number of countries" (Salmi 1994:5). This may have been helpful to the process, but it would not however generate sufficient data for the production of a framework of 'tested' policy options, nor was it intended to do so.

By this point (July 1991), it appears that the higher education work had begun to take a fairly clear shape and that a framework for future work had been identified. Although the higher education paper was still envisaged as a policy paper, the notion of understanding the effectiveness of different policy choices in their political contexts and of offering information on these options was prevalent. It is apparent however that policy choices would be intended to produce the framework outlined at the meeting; a framework underpinned by the need to reduce the cost of higher education to the state, while improving its quality and 'responsiveness'.

1992 Draft policy brief

In late January 1992, well into the process of preparation of the policy paper, a new draft policy brief was prepared for internal purposes, headed *Quality, Relevance and Efficiency in Higher Education*. At this time it was still envisaged that the paper would be a policy paper, and a further declaration of intent stated that its purposes would be as follows:

> "Bank policy in support of higher education development and reform needs to be reviewed in the light of ... complex, interrelated challenges. It is important to develop a coherent framework of effective policy options and institutional practices to improve the quality, relevance, efficiency and sustainability of higher education systems, based on successful country and institution experiences" (World Bank 1992a:2).

By the time this policy brief was drafted, according to its bibliography, 15 of the thematic studies were completed and assimilated into the higher education policy team's thinking. Most of these were papers prepared for the worldwide seminar, and all are cited as World Bank publications. Two study tours of higher education in Europe had been undertaken (UK and the Netherlands, December 1990 and UK and Western Europe, November 1991). There had been an Asian Conference on Higher Education in Kuala Lumpur in December 1989, as well as the World

Bank Consultative Meeting on Higher Education (previously discussed) again in Kuala Lumpur in July 1991. Much of the commissioned work was still ongoing.

While progressing from the emerging position advocated in Kuala Lumpur, the paper sought anew to develop a framework within which the range of policy options could be explored: "Notwithstanding the need to consider detailed policy options in the specific socio-economic context of each country and in relation to the distinctive characteristics of each higher education system, it is possible to identify four generic objectives and priorities to inform the design of country-specific strategies: *quality, responsiveness, efficiency and equity*" (World Bank 1992a:10; emphasis added). The issues identified for attention were those of: quality and relevance; efficient use of resources; sources of financial support; governance; equity; and implementation. These do not represent any new departure, other than the inclusion of implementation and exclusion of diversification, but it is evident that a more fundamental and complex approach was once again being considered.

For example, relating to each issue, the policy brief posed a series of abstract questions. Under governance, the question asked was "What degree of institutional autonomy and what forms of accountability are more productive in promoting effective and flexible management?" and under implementation: "What are effective implementation strategies to translate planned reforms into successful measures and actions, given the prevailing political constraints and the technical uncertainties surrounding many educational innovations?" It was once again a more ambitious programme than could easily have been attempted, and it is perhaps unsurprising that such questions were not answered.

Implementation was however given some consideration during the 1992 programme of work. Perhaps because the final higher education paper was less concerned with implementation as an issue, an internal paper by Eisemon (1992b), was not cited in its bibliography. However, in this study, Eisemon looked at the structures and basic political conditions which enabled reform to be introduced and successfully implemented. He drew mainly from World Bank case studies to look at different types of reform and the conditions necessary for their implementation, and his paper represents an early synthesis of some of the case study material. Much of the material used in the final published paper is included (e.g., case studies from Chile, India, Brazil, Hungary, Senegal, Ghana, Uganda and China) and a framework for discussion of illustrative case studies established. In an early draft of Eisemon's paper, consideration is given to the use of Chile as a case study: there was always awareness of the difficulties of using such a politically controversial case study, but it was the only country to have successfully implemented the reforms which the higher education policy team wished to illustrate. In Eisemon's study, case study material is well-referenced, unlike some of the examples given in the final publication of the higher education paper.

The 1992 draft policy brief is lengthy and exploratory, and it can be seen to lack focus, despite raising some very important, and ultimately unanswered, questions. Although it has no official status, the policy brief gives an interesting indication of the way in which the project was envisaged by the higher education policy team at the time (it was rapidly superseded by a much more 'focused' approach). It was envisaged that the paper would be structured as follows: (1) The policy context, focusing on the role of higher education in scientific and technological development; (2) an assessment of the current status of higher education in developing countries; (3) an exploration of strategies for higher education reform and innovations in different socio-economic situations; (4) detailed policy options; (5) implementation strategies; (6) an agenda for donor action. This is a very different structure from that of the first available draft of the higher education paper (November 1992).

Aside from the structural changes, substantial changes in content were to follow. These include a decrease in attention to other donor agencies and a lesser focus upon implementation. The policy brief also indicates a strong emphasis upon science and technology, which would diminish markedly in subsequent drafts of the paper, and the policy brief's footnotes acknowledge many of the papers prepared for the Kuala Lumpur seminar.

The layered structure of the 1992 policy brief make it less easy to generalise about its contents, but, at a summary level, it is suggested that the overall aim of the higher education paper should ultimately be to identify the principal policy instruments which would achieve the following objectives:

- promotion of structural and institutional diversification;
- improvement of quality and relevance;
- strengthening of university research for scientific and technological development;
- improved efficiency in resource allocation and utilisation;
- increased resource diversification and mobilisation;
- increased decentralising for increased autonomy and accountability; and
- improved equity.

Diversification of institutions had now emerged as a first priority, and quality and relevance a second. Science and technology were still seen as key concerns, and the role of government was less significant, subsumed under the heading of 'Decentralisation'. Although still mentioned, evaluation and low-cost teaching technology were given scant consideration - the section on quality considered mainly staff qualifications and general pedagogical inputs. Resource diversification was given a lower priority, as was equity. At this stage, the paper was somewhat indistinctly focused and its research agenda still very broad, but its underlying objectives were, again, beginning to fall into place.

Progression to the next version

By late 1992, the shape and recommendations of the paper had begun to emerge in much sharper focus, and the November 1992 version of the higher education policy paper, as it was still sub-titled, was called *Strategies for Higher Education Reform* (World Bank 1992c). It contained the following four major (and explicit) recommendations: diversifying higher education systems; enhancing financial sustainability; improving the quality of university training and research; and implications for the World Bank (drawn in part from Eisemon's work). By this time, the emphasis upon science and technology seen in the earlier versions had been reduced, and discussion of the role of government was tentative, and covered under two headings: 'System-Wide Co-ordination and Planning' and 'Decentralizing for Increased Autonomy and Accountability'. Case studies available from the background studies had been fully assimilated and were used as illustrative examples, most of them clearly taken from World Bank studies.

The section entitled 'Implications for the World Bank' drew its practical lessons to guide future lending for higher education largely from Eisemon's (1992a) study although there are some differences. The 1992 draft paper identified the following: (1) Project interventions should be formulated in the context of the higher education system as a whole; (2) sustained, long-term comprehensive support is required for effective institution-building; (3) quality improvements in higher education institutions cannot be brought about unless a supportive environment is created; (4) donor coordination should be encouraged; and (5) it is important to be attentive to ways of building a political consensus for reforms. The first three of these are clearly derived from Eisemon's work, but two of his recommendations were not included or were amended: firstly, Eisemon's point that "policy dialogue should explicitly address the role of the state in higher education" (Eisemon 1992a:58) was not at this point included, at least not explicitly so; and secondly, while (5) is clearly linked to unpopular financing reforms in Eisemon's work, it is articulated very much more tentatively in the draft policy paper. Eisemon did not recommend increased donor coordination.

Attention should be drawn in particular to the tentative tone of the November 1992 draft paper and its recommendations: while there is evident conviction that its conclusions were in general the right ones, no connection was made between these recommendations and access to World Bank funding - i.e., no extension of policy-based lending was made explicit. The 'lessons for the World Bank' were evidently drawn from an analysis of previous World Bank lending experience, and not used to prescribe the policy reform which the Bank wished to see implemented.

Developments through 1993

The basic message of the higher education paper was now established, although its structure was to change in relatively minor ways, and its tone very much more significantly. Firstly, by March 1993, in a draft now entitled *Policy Options for Higher Education Reform* (World Bank 1993b), an introductory chapter called 'Dimensions of Declining Performance' was added. This covered the worldwide difficulties of resource constraints and reduced funding, as well as issues of external efficiency and equity. Chapters on diversification and financial sustainability remained similar, and two distinct chapters were included: 'Implementing Higher Education Reforms' (later to become the role of government in reform) and 'Implications for the World Bank'. The tone of the final chapter remained permissive and closely related to Bank experience rather than the outcomes it wished to achieve. In contrast, in the final published version of the paper the link between policy reform and lending was made explicit: "Countries prepared to adopt a higher education policy framework that stresses a differentiated institutional structure and diversified resource base, with greater emphasis upon private providers and private funding, will continue to receive priority" (World Bank 1994:86).

By March 1993 (World Bank 1993c), the role of the state filled a chapter in its own right. Instead of a chapter on 'Declining Performance', there was instead a chapter on 'Higher Education in Crisis', ultimately to become 'Challenges and Constraints'. This was followed by a chapter on 'Improving the Performance of Higher Education' which incorporated the themes of quality and of pursuing equity. The chapter on 'Strengthening the Financial Basis of Higher Education Institutions' was considerably enlarged. Further, while many of the same case studies were used, the link between policy reform and access to funding was now made explicit, if somewhat tentatively: "Bank loans will need to be embedded in an agreed policy framework with benchmarks which can be monitored to ensure the sustainability of investments in higher education" (World Bank 1993c:51). The suggested policy framework outlined includes the overall recommendations of the paper: viz, selective access; differentiated structure and development of private higher education; policies to favour diversification; significant cost-recovery; institutional autonomy in determining student intake; institutional autonomy in resource acquisition and utilisation; and allocation of resources to strengthen quality and increase efficiency. While this policy framework is followed with a caveat regarding differing country circumstances, the overall recommendations are made very clear.

There is insufficient space to discuss in full the changes between drafts, but the movement of text and chapter headings continued throughout 1993, and the paper became narrower and more focused, changing its title as the notion of options was removed. By September 1993, the draft had acquired the title *Higher Education: The Lessons of Experience*. 'Quality, Responsiveness and Equity' were included together in the penultimate chapter in a somewhat uneasy blend. For the first time, making a marked change to the tone of the paper and its entire attitude to higher education, the notion of rate of return analysis was incorporated into the chapter on implications for the World Bank: "Within the education sector, however, there is evidence that higher education investments have lower social rates of return than investments in primary and secondary education, and that investments in basic education can also have more direct impact on poverty reduction, because they tend to improve income equality" (World Bank 1993d:xii). Accordingly, the draft paper states that in countries which have not yet achieved universal literacy and access, equity and quality at primary and secondary levels: "our involvement will continue to be mainly to make its financing more equitable and cost-effective, so that primary and secondary education can receive increased attention at the margin" (World Bank 1993d:xii). This represents a strong contrast to the tone of earlier versions, and is of course in striking contrast to the outcomes of the consultation meetings. The changes in tone also indicate clearly the Bank's growing emphasis upon policy-based lending, possibly reflecting in part a change in the management of the Bank itself (a major re-structuring occurred in December 1992). What had begun as an exploration of policy 'options' (although still defined within the Bank's priorities) became instead - although this is arguable - an articulation of the conditions under which loans might be made.

It should be noted too that, from March 1993, the paper became known as a higher education study rather than as a policy paper, although this change was neither commented upon nor explained. The transition to a 'best practice' paper was never clarified, nor is any particular change in approach apparent. The format utilised in the final publication is not really suitable for illustrating best practice: the case studies given as examples are brief, with poor contextual information (necessarily, given space constraints), and insufficient referencing. Many of the examples were themselves acquired at some remove from primary source material, and the case studies on which the book is most assured are World Bank case studies. Real illustration of good practice would have required far greater depth in the presentation of illustrative material, including socio-economic background and an evaluation of long-term success. In some cases, the reader is unaware of whether the reform described was in fact successful.

By December 1993, the paper had acquired more or less its final shape, although it was not in fact published until July 1994. There had been extensive internal comment on successive drafts, although most of the comments made related to drafts prepared well before the final version. It is possible that there may therefore be some dissatisfaction internally with the changes in tone made to the final version, especially if earlier drafts had been approved by operational and regional staff. The final version would certainly have been disliked if staff had considered the permissive tone of the document in its early or draft phases to have been helpful. There appears to be some variation of opinion within the

Bank concerning how the higher education paper will be used in operational work, and there are certainly differing views about the extent to which its recommendations define legitimate or circumscribed areas for lending. All staff were emphatic that operational work depends upon country conditions. However, it is less clear to what extent operational staff have discretion to negotiate loans which do not meet, or are in conflict with, the recommendations put forward in the higher education paper. Some staff appeared to see the higher education paper largely as a useful discussion document which might be utilised during the exploratory phases of a Bank mission. Others saw it as closely linked to policy-based lending and thus as defining areas of activity which may or may not be undertaken.

Finally, there has always been some confusion about the primary audience of the paper, and this remains the case. The 1989 *Initiating Memorandum* had identified three audiences and the 1992 policy brief had identified four. The final version of the paper remains something of an uneasy compromise. As stated above, there is evident uncertainty within the Bank about the extent to which staff are expected to follow its recommendations; and thus also about the extent to which Bank staff represent its primary audience. If this had been the case, it might have been expected that the final section summarising the conclusions of evaluative studies would have been considerably longer. If the paper is instead intended to provide a basis for policy discussion with potential and existing borrowers, then it can be said to lack sufficient detail for full discussion although its compactness and clarity may be helpful. The paper's status as a 'best practice' paper rather than a policy paper does however confuse the issue of its real purpose. As stated previously, there is insufficient detail within the higher education paper to allow proper evaluation of the case studies, particularly if the intended audience was broader than the Bank and its borrowers (see for example the comment by Reimers on the 'fragmented' use of the Chile case study (Reimers 1994)).

Conclusions

Following such a brief survey, it is not possible to draw hard and fast conclusions, and this paper should therefore be regarded as a series of comments and queries rather than a conclusive interpretation of the process. Where possible, some answers to the questions raised in my introductory pages are suggested and inferences drawn from the previous discussion. As a note of qualification, it is difficult in preparing a paper of this nature to avoid frequent reference to 'the Bank'. This is regrettable, as there is no monolithic World Bank. However, as discussed below, the process through which the higher education paper was formulated does appear to suggest that there are certain institutional constraints and practices which define and shape the way in which World Bank employees as individuals conduct their duties. It is these organisational practices to which

I refer when speaking of 'the Bank', and not to the individuals employed by the Bank.

It must be acknowledged at the outset that the team responsible for *Higher Education: The Lessons of Experience* prepared a thorough analysis of the difficulties facing higher education in many countries. The synthesis of data represents a valuable contribution to our understanding of the severity of the crisis in many countries, as a vast amount of data was assembled and synthesised into a coherent 'story'. However, this synthesis was prepared within the framework of the World Bank's concerns with efficiency, equity and financial and structural reform, thus perhaps restricting the scope of its conclusions. Much of the data was generated within the Bank to meet its own institutional needs, and therefore implicitly prepared to reach certain conclusions. Many of these issues remain contentious; and yet throughout the commissioned literature the World Bank's overall concerns and orthodoxies are often referred to as 'conventional wisdom' (e.g., Johnstone 1992:4). In this sense, the framework for discussion is very constrained. Further, as with many Bank publications, the sources of the data are sometimes poorly referenced, and thus lose some of their potential value.

The value of the new work commissioned for the study is, to a certain extent, uncertain. In a sense, it appears that the primary purposes of this material were: (1) to inform the higher education policy team about both current academic/-theoretical issues and about country conditions; and (2) to prepare discussion papers for presentation at consultation meetings. This material has not been held together as a body of material and is not now easily available for reference. It was not possible for primary research to have been undertaken, although as the key policy options emerged, it would have been very useful if primary research could have been undertaken to explore the feasibility of these policy options. For example, serious concern has been expressed about the feasibility of the higher education paper's recommendations relating to the role of government, particularly given the scale of the proposed reforms (Watson 1994). Greater attention to researching feasibility and implementation would have been welcomed.

It appears that the solid core of the experience utilised derived from the Bank's own experiences, except for some of the cases (e.g. Chile) which illustrated the type of reforms which were to be recommended. There is an absence of theoretical discussion despite the range of material commissioned, but this may have been considered inappropriate in such a short document.

The change in the higher education paper's intended function over the programme of work meant that the structure of the final paper was not ideally suited for the task of illustrating 'good practice'. It is frequently the case that the examples presented are too brief to be adequately illustrative and cannot represent a guide to the complexities of policy reform. Further, aside from issues relating to the identification and presentation of 'best practice', adequate follow-up would require extensive reference material, and this is scarcely available.

As stated previously, almost all the main case studies were drawn from Bank sources, meaning that its vision is clearly focused upon existing Bank concerns. Where studies were drawn from external sources, there appears to have been a tendency to omit the strong 'health warnings', issued by their authors: For example, Brunner and Briones's (1992) work on Chile which describes the political background to the country's reforms; Kells's (1991) work on performance indicators which was very cautious in its recommendations; and the warnings highlighted in Neave and van Vught's work on autonomy and accountability.

It is apparent from the various drafts and policy briefs that there was continuing tension in approach between the desire to undertake a fundamental review of the nature of higher education and the more pragmatic concerns of undertaking an institutional policy review. Further, the tendency to keep rethinking the scope of the task appears to have been exacerbated by constant changes in personnel and internal policy within the Bank. To an external observer, the overwhelming impression is of constant institutional change: change in divisional structures; in divisional policies; in personnel; and in line-management responsibilities. Such constant change would make the formulation of coherent policy hard to achieve. And finally, the constant process of restructuring and reassigning staff suggest that the Bank as an institution is unlikely to learn from the lessons identified during the preparation of the study.

It is in this sense that the external background research probably did not contribute greatly to the paper, except insofar as it was able to inform the higher education policy team. The published higher education paper represents to a large extent a synthesis of regional and ongoing Bank concerns, particularly apparent from the phased approach taken to reform in the final version of the paper. Some of the research - e.g., the collaborative work undertaken on the role of governments - did have an impact, but much of the detailed work was being undertaken in the technical departments. The collaborative model (with Neave and van Vught) appears to have been very useful and is a research method which the Bank might wish to consider again. There is no doubt that the higher education paper was a significant achievement, and that it presented a major work of synthesis which will be useful both within the Bank and externally. Some important developments were made - notably the focus on the role of government - but it is suggested that more might have been undertaken in the way of feasibility and implementation studies for such recommendations to have been promoted so strongly.

Note

1. EDI is a separate division within the World Bank dealing in part with the dissemination of information and training.

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Some fundamental issues

The implications of globalisation for higher education

Noel F. McGinn

Higher Education: The Lessons of Experience (World Bank 1994) acknowledges that higher education institutions face changing economic demands, but has little to say about the nature of the changes nor their long-term implications for higher education institutions. The purpose of this chapter is to suggest a framework for analysis of the impact of the kinds of changes that can be summarised under the rubric of 'globalisation'.

The term globalisation is used to include that set of processes that make what was unfamiliar, by virtue of its location in another part of the world, increasingly familiar. The processes include five major flows or movements of:

1. people within and across national boundaries, as refugees and as tourists. These people bear, but are not the sole source of,

2. information, understood as data in the form of scientific reports, news broadcasts, statistics, documentary films and videos. The flow of information is also greatly facilitated by the spread of

3. new technologies, of communication, but also of production and distribution, which permit radical changes in the organisation and standard of life, and in the distribution of wealth. New technologies also permit an incredible flow of

4. capital, in daily volumes that exceed the total annual product of most countries of the world and which are beyond the control of any government. Facilitated by new technologies, but associated with tourism and capital flows, there is also a great movement across cultural boundaries of

5. images and ideas, in the form of television programmes, videos and films, music, books and magazines.

Appadurai (1990) refers to five dimensions of global cultural flow: ethnoscapes, mediascapes, technoscapes, finanscapes and ideoscapes. Earlier writing on the impact of flows across national boundaries includes that by Deutsch (1966), who called attention to the impact of increasing communication across national boundaries, and Gellner (1983) who talked about weakening nationalism. The content and volume of these flows change the context in which higher education institutions operate, and challenge the relevance of institutional forms appropriate at an earlier time.

What is distinctive about globalisation is that pressures and opportunities for change originate outside the national political systems in which higher education institutions operate. *Lessons of Experience* on the other hand proposes changes within the national context of higher education institutions. Efforts at internationalisation and closer linkages with firms are seen by the document's authors as activities that improve higher education institutions without diminishing their autonomy. Even regional cooperation is seen as a voluntary action taken by institutions to improve access to resources. There is some evidence, however, that the processes of globalisation are compelling rather than invitational, and therefore require careful scrutiny.

Globalisation and uniformity

One perspective on globalisation assumes that these forces will lead to greater uniformity across education institutions as countries are drawn into a single world economic system. This is not a new hypothesis. About 30 years ago, Marshall McLuhan looked into the future and predicted that the flows now apparent to all would lead to the formation of a 'global village'. McLuhan was right about increased change, but as travel makes us more familiar with real villages his metaphor seems less and less accurate as a description of what lies ahead. Globalisation has not brought us the quiet security of time unchanging that makes village life so attractive to the summer refugee. Instead, with globalisation we have increasingly rapid change within our own countries, and with it insecurity and instability characteristics of urban rather than village life.

The process of globalisation could be seen as one of 'compression' of increasing numbers of people into a fixed space. As we are compressed, we bounce off each other with increasing frequency. The pattern of interaction becomes increasingly complex and unpredictable, approaching chaos. The metaphor is flawed, however, as human actors and their institutions are not passive molecules that collide mindlessly. The effects of globalisation will depend on choices we make.

The magnitude of the disruptions already experienced should convince us all that this is no simple evolutionary glide into a higher form of social order. Instead, we are in the midst of chaos, of change unpredictable because of the complexity of the forces involved. Globalisation brings together systems that previously operated with relative autonomy, increasing numbers and kinds of actors and objectives in geometric progression. The result is a bewildering variety of possible futures, and the breakdown of social institutions that used to maintain order in a national context by reducing variety. This breakdown is of course costly, but it also provides opportunities for building an improved set of institutions.

Stability and higher education institutions

Lessons of Experience calls for greater variety and diversity in higher education institutions. Greater diversity will increase the responsiveness of the national economy to its changing context. But it will also weaken the social structure that is required for the national economy to operate. In the past, higher education institutions made important contributions to the reduction of variety, and therefore positively to national stability. 'Universe', the root of the word 'university' means 'applying to all situations, conditions and places'. A perspective that claims to be universal is singular and admits to no others. A university therefore proposes a single version of the truth.

The term universal should be distinguished from the term 'catholic', for example, which has Greek roots that means 'according to all' or 'according to the whole'. Inclusive truths are more abstract than exclusive truths, and therefore permit greater variation in interpretation and application. The early Christian church, for example, was called 'catholic' rather than universal because it encompassed differing perspectives about the meaning and worship of Jesus Christ. Only later, as the Church began to insist on uniformity in creed and forms of worship was the term 'catholic' confused with the term 'universal' (Gonzalez and Gonzalez 1993).

The term 'university' as applied to institutions of 'higher' learning achieved wide currency only when these institutions began to impose a singular perspective on reality, arguing that it was universal. For example, in the 13th century the University of Paris attempted to limit the teaching of Aristotle. Following the Reformation, higher education institutions identified with one or another point of view, and taught the 'truth' as they defined it. Order and stability reigned at least within the boundaries of the university. Higher education institutions came under the protection of the secular state, and with the formation of nation-states in the 17th and 18th centuries became 'national' higher education institutions, that is, instruments of the state.

At this time, higher education institutions were not the sole or even main generators of knowledge and values, but they were important in the justification of the universal culture that was promoted by the new states. Higher education institutions were, if you wish, the distributors of the new ideas of materialism and realism.

The English university was organised around a uniform conception of 'the educated gentleman', who would serve the state in public administration. The curriculum was a fairly limited selection of texts that students 'read' and then commented upon. Science developed outside the university. Most of the research was done by engineers and workmen not educated at the university, or in private laboratories of university-educated members of the ruling class.

The French or Napoleonic version of the university followed developments in industrial production. Great advances in quality and efficiency had been achieved by breaking work down into constituent tasks, and identifying the knowledge and skills required for just those tasks. Schools and higher education institutions were organised to give people the knowledge and skills required to manage state enterprises and contribute to state-serving development of science and technology.

The Prussian model of the university insisted that all knowledge was one, and encouraged mixing of disciplines, but all in the pursuit of what was considered to be a singular truth, that of the Spirit. German higher education institutions proved to be much more fruitful than the English or French models in terms of generation of new knowledge and applications of technology.

Newton's vision of a stable, orderly world had stimulated the search for the laws that rule the universe. Now positive science provided the assurance that adherence to objectivity in method would reveal progressively the knowledge needed to govern the world. Disciplines flourished and multiplied as alternative methods, but their goal was to find the single truth. Only objective knowledge was valid and valuable, and only problems that could be studied objectively were considered relevant. Theology and philosophy were swept into the dust bin of history, and new approaches that did not accept objective methods were denied entrance to the university. For example, psychoanalysis could find a university home only by immigrating to the New World. Parapsychology is still banned in almost all higher education institutions, as is homeopathic medicine.

The power of positive science to generate useful knowledge escaped no one's attention, and higher education institutions were subjected to even greater control, chiefly by the state, in some cases by powerful industrial and commercial interests. By the early decades of the 20th century, higher education institutions were the main source of new knowledge and technology in the industrialised countries. And in all countries higher education institutions had become major producers or distributors of values and the culture of modernity.

Will globalisation lead to uniformity?

In some countries higher education institutions serve primarily to distribute knowledge and values developed elsewhere. The contribution of higher education to economic growth is therefore in facilitating the adoption of values, skills and knowledge useful in operation of technologies and organisations from outside the country. Is it possible, therefore, that the process of globalisation will spread certain technologies and forms of organisation that have, according to some, proven to be so important in stimulating economic growth? Must other countries imitate the early industrialised countries to achieve economic growth?

There are several reasons why the process called globalisation, even if it continues, may not result in a single world culture. First, the process of familiarisation is not uniform in the world. Flows of information, people, technology, capital and images are unevenly distributed. The effect of these flows depends on the context in which they are received, and therefore effects can be positive and negative.

Connections among peoples across national boundaries are not new in history. Economic exchanges among peoples began before recorded history. Religion has long been a transnational institution. The first higher education institutions attracted students and professors from many nations. The Black Death was as transnational as is AIDS. Regional economies interacted with each other as early as 1250-1350 C.E. (Common Era), before the ascendance of Europe and the emergence of capitalism (Abu-Lughod 1989). Movements of people across national boundaries in the 19th century were proportionately greater in terms of world population than they are today (Halliday 1993). Furthermore, the existence of supra-national societies or systems has been cyclical. Periods of empire-building that joined many different nations together in a common economy and polity have been followed by collapse and relative isolation of peoples, even during the past 500 years (Kennedy 1987).

But even though not linear, the direction of globalisation has been toward increasing linkages between peoples. For some, that process implies the eventual, and perhaps rather soon, formation of a uniform world 'system'. Many economists, for example, agree to the existence of a world economic system beginning with the emergence of capitalism in the 16th century (Wallerstein 1987).

The drive for the accumulation of capital stimulates the flow of commodities between nations. Social institutions, including those of higher education, are organised to improve the capacity of a nation-state to enjoy an exchange of commodities that leads to capital accumulation. The process drives technological innovation, which generates new commodities and new patterns of exchange. Over time, there emerges an international division of labour based on inequalities in exchange relationships. The economic position of any given country depends on its ability to find and improve its comparative advantage. Developments in technology and human capital formation are important methods for improvement of comparative advantage, and therefore of a country's level of income.

But even believers in the existence of a world economic system divide on how we should react to the fact. Differences turn on the unit of analysis employed. Those who focus on the economy are supporters of unlimited free trade and argue that elimination of barriers to flows between nations will free the market mechanism to distribute resources rationally, generating more wealth and eventually distributing it more equitably. Higher education should be organised to respond to the market mechanism.

Others, including some economists, focus their attention on political processes within and across nation-states. They claim that inequalities in the distribution of physical resources and political power ensure that markets will not work as assumed, and that new economic structures will either reproduce current inequalities or tear down egalitarian social policies constructed through long years of political struggle.

The higher education policies of the current government of Mexico, for example, are consistent with the first perspective, that there is a single world system with a single set of rules by which all countries must play in order to prosper. In recent years, the government has effected a number of changes in higher education policy designed to increase university responsiveness to market forces. Perhaps the most important change is in legislation that previously restricted privatisation of knowledge through patents and copyrights. At the same time, the national government has reduced unrestricted funding of national and state higher education institutions, has reorganised boards of trustees to include representatives of private corporations, and has rewritten tax law to open all levels of education to foreign investment. Salaries of faculty have been allowed to decline, while the government has created a system of extra-salary incentives that privileges research production in the physical sciences and medicine in preference to the humanities and social sciences. The official objective of these actions is to increase university research to satisfy the requirements of public and private sector enterprises (Aboites 1994).

These changes anticipated Mexican participation in the North American Free Trade Agreement (NAFTA), which further modifies university programmes. Under the terms of NAFTA, Mexico promised to adapt its programmes to meet mutually acceptable standards. Changes will permit credit transfer, accreditation and joint programmes, and contributions to national institutions by foreign private and public sources (Adelman 1994). The argument of government and university officials is that these changes will make Mexico 'globally competitive' and permit it 'to become a First World country'. It is possible, however, that these changes will reduce the diversity of higher education in Mexico, and over time reduce its capacity to contribute to national economic growth.

Criticisms of a radical restructuring of higher education systems to respond to world market forces are of two forms. First, critics note that higher education institutions have what economists call 'externalities', that is, they serve purposes other than those contemplated in economic policies. Higher education institutions in many countries make valuable contributions to the production and distribution of both popular and high culture, are a major source of new knowledge not just in science but also in arts and humanities, and serve a vital role in the democratic political process as a platform for the free discussion of ideas. The instrumentation of the university to serve primarily as a source of basic and technological research for transnational enterprises gives up the externalities.

Second, there is no evidence that participation in a global economy will be uniform, and therefore that globalisation will lead to uniform (or even positive) benefits from economic expansion. In fact, some countries are likely to be 'deglobalised' as a result of increased activity in the world economic system. Oman (1994) points out that globalisation today is more likely to result in the creation of regional trading blocs (like NAFTA or the European Common Market) than in a multilateral liberalisation of trade. Not all countries will be included in one or another region, with the consequence that they will be shut out of benefits from reduction of barriers to trade. Those countries in the Americas not included in NAFTA, for example, will find their exports reduced, not increased. They will experience economic de-globalisation. The organisation of higher education institutions in these countries to meet the demands of the world economy may require the dismantling of institutions built up over the years. This could be the unspoken basis for recommendations that some countries reduce investments in higher education institutions. But other changes taking place in the world suggest that countries not included in economic regions should increase attention to higher education.

Globalisation and the new technology of production

The dramatic increase in the rate of globalisation in the late 19th century is attributed to the employment of technologies (in Europe, the United States and later Japan) of mass (or 'fordist') production, the chief characteristics of which were "the production of perfectly interchangeable parts, the advent by Ford of the moving assembly line, and Taylor's 'scientific management' for organising and ensuring management control over labour" (Oman 1994:38).

These technologies were efficient only at levels of production that surpassed the absorptive capacities of the producing countries, requiring expansion into world markets through international trade, investment and migration. They also permitted the formation of highly-centralised corporations which engaged in oligopolistic practices. The centrifugal movement of globalisation was generated by the centralisation of economic, and political, power. The annual cost of technology in licenses exceeded total expenditures on higher education.

The penetration of European (and later American) capitalism into Asia, Africa and Latin America primarily exchanged industrial goods from the North for raw materials from the South. There was little exchange of technology, and higher education in the South continued to serve primarily to prepare elites to manage state and private enterprises. The adoption by some countries (primarily in Latin America) of import-substitution strategies during the Depression and World War II had only a small impact on development of national capacity for knowledge production. Most countries relied on fordist production and imported technology from the United States and Europe. By the early 1950s, fordist production had spread around the world. Some efforts at regional economic integration were made but for the most part the exports of most countries were only a small part of the total national product. Oman (1994) notes that the one exception were those countries that had neither raw materials nor landed oligarchies that restricted national industrial interests: Taiwan, Korea, Singapore, Hong Kong, and Japan. These countries employed an exported-oriented industrialisation strategy. Initially exports were labour-dependent, and then gradually were shifted to dependence on capital and technology.

By the late 1960s, fordist production technologies located in the early-industrialised countries could no longer generate sufficiently high rates of growth in productivity. Oman cites three factors contributing to this crisis: a slowing of innovation in key industries; reliance by highly-centralised industrial bureaucracies on high inventories and heavy management; and oligopolistic practices reducing competition and therefore pressures for self-correction. The national economies were characterised by both high rates of inflation and high rates of unemployment. In an attempt to maintain profits, manufacturers began to look for 'off-shore' sites that could provide low-cost labour for their industries. Some companies developed global production networks, producing parts in several countries and assembling them in others.

At the same time, high interest rates and non-tariff barriers to imports spurred increased investment in American and European firms, and increased consolidation of firms through mergers and acquisitions. Technological improvements in communication and information facilitated the development of a global financial market. A global market increases the volatility of national current exchange rates. Investment in production in the competitor's country overcomes trade barriers and reduces risk from currency fluctuation.

Increased global competition and consequent risk encouraged firms to abandon the fordist production technology in favour of a 'flexible production' technology. The key differences between the two technologies of production are these:

1. Fordist production generated increases in productivity by capturing the knowledge of highly-skilled crafts workers, and converting it to rule-driven routine production processes controlled by management (Braverman 1964). One study (Womack 1990) claims that productivity doubles using flexible production instead of fordist production. According to Economic Commission for Latin America and the Caribbean (ECLAC) (1991), the long-term benefits of the application of the concepts behind flexible production are of even greater value. ECLAC provides an excellent analysis of the limitations of human capital theory (a fordist explanation of the contribution of education to economic growth). Differences in national rates of economic growth are better explained, ECLAC insists, by attention to the process of technological innovation than by reference to levels of education or human capital formation. As much innovation occurs during the production process as during design. The design of jobs to ensure that workers learn while doing, by innovating, is the best way to ensure continuous positive growth of production.

2. The process of re-integration of thinking and doing occurs in all parts of the firm, from design of the product to marketing and distribution. Integration of

these various elements of the firm makes it possible to bring designers and producers together with clients. This shortens time to production, and time to market, which reduces the need for large inventories and increases sales. The term 'just-in-time production' is applied to this aspect.

3. When carried out properly, all members of the firm participate in the pursuit of high levels of quality. Decision-making is carried out in groups (sometimes called Quality Circles), which are given control over the production process in return for responsibility for meeting objectives. Workers no longer are specialised but instead require a broad range of skills. Training is continuous and often collective. Wages are linked with group performance.

4. Production sites are often smaller using flexible production as compared to fordist production. Plants are located closer to suppliers to reduce time to deliver inputs, and closer to markets to reduce time to deliver finished goods. The integrated design-production-marketing system increases variety in products by permitting smaller 'runs' or volume of production.

5. Central to the management of flexible production is the availability of information about all aspects of the process at all times. This information has to be widely circulated across levels and divisions to ensure coordination. Great emphasis is placed on quality control, hence the use of the term Total Quality Management. The requirement for information requires that plants be located close to consumers. The effect on transnational firms is called 'global localisation'. Transmission of information within firms is facilitated by emphasis on inter-personal relations, corporation culture, and training in communication skills.

Flexible production has not solved all problems of capitalism. The essence of the technology, increased worker participation in decisions about how they will produce, increases labour's ability to negotiate with capital about their share of surplus value. Under fordist production, firms could hire workers with low levels of education and with little capacity for organisation, and negotiate with leaders of centralised unions. In a system of flexible production, workers must be better educated, and their capacity for organisation is essential. Just-in-time production and small inventories make firms more susceptible to work slowdowns or stoppages. Especially when management uses Total Quality Management merely to squeeze more production out of workers without just compensation, workers are likely to protest and develop counter-strategies (Parker 1984). The misapplication of Total Quality Management concepts in higher education in the United States has occasioned considerable resistance (Parker and Slaughter 1994).

How fordist production affected higher education

Not all production will ever be carried out using flexible production methods, any more than the assembly line was ever the most common method of organisation of work. Why, then, should we expect that a general shift toward the new mode of production will have any impact on the content and organisation of higher education?

First, education in general was very much affected by the shift (in the 18th century) away from crafts production towards management-controlled factories. The basis of the Industrial Revolution was introduction of a method of production that centralised control over knowledge, giving priority to uniformity and routine procedure over diversity and creativity. The impact of this shift on education came about in several ways.

The high relative productivity of the new factories not only generated new wealth for a few, but it also drove many crafts-based companies out of business. It was now possible to produce in great quantity articles of better quality than previously were available to the ordinary consumer. Displaced craftsmen found themselves forced to take factory employment, at lower wages and with no control over production.

Some craftsmen banded together, attempting to organise communities and schools that would perpetuate a society of independent self-employed workers. Their schools taught science as a set of processes by which one could generate his or her own discoveries. The state and the new industrial class colluded to suppress these communities, in some cases requiring children to attend the 'common' public school controlled by the state, in other cases suppressing independent producers. The common school of the state specified what knowledge would be learned (Katz 1971). Science was defined by the common school as a body of knowledge rather than as a method of inquiry. The production of new knowledge was assigned to special centres and eventually to higher education institutions, organised to serve the state and owners of capital. The introduction of the new, centralising technology of production carved sharp contours in the economic topography of the nation. Economic policies favoured owners of capital and the new industrialists over small farmers, who slowly were driven by poverty off their farms into the cities. The distribution of education followed the distribution of wealth, and the country bumpkin appeared on the stage of history. Higher education institutions contributed to the centralisation of wealth and knowledge. Like factories, they are more efficient when large, and located in population centers. Whatever spill-over effects higher education institutions generated primarily benefited urban not rural populations.

Second, all evidence available indicates that the economic forces that shaped education in the past are operating today. One possibility is that the process of globalisation will weaken the capacity of nation-states to control public education. An alternative perspective argues that states are not weakening but that their membership is changing. In either case, transnational corporations are more powerful players than in the past. It is transnational corporations that are promoting the concept of flexible production.

Finally, fordist industrialisation served as a powerful metaphor for the organisation of all society, including schools and higher education institutions. The metaphor promoted standardisation across institutions (accreditation systems), disaggregation of the production process into small parts (credit hours), sharp divisions between disciplines each pursuing the same truth, and centralisation leading to massive institutions in which bureaucratisation became the only possible management technology. The collegium was transformed into a vast collection of 'shops'. Some of these were producers of knowledge, many were distributors. Somehow the parts were to be assembled by learners and society into a meaningful whole. What is implied in the metaphor of flexible production?

Implications of flexible production for higher education

Fordist production will continue to exist and professors will still tell students what to write in their notebooks, but new ways of producing and learning will be employed as well. The metaphors implied by concepts such as flexible production, quality circles and total quality management place more emphasis on groups than on individuals as the agents of production, and on construction of reality as the objective of learning rather than on knowledge or explanation. They can be seen as a means to expand human capacity and agency rather than as a substitute for existing methods. And they can be seen as a means for relatively poor countries to generate economic growth without relying on fordist production and the social order that it implies.

Higher education institutions organised according to these metaphors will still have to give students a grounding in the concepts and facts of the disciplines, but much more attention will be given to teaching 'methods' of learning. Much more use will be made of self-instruction as the preferred method for learning basic concepts and facts. Teachers will provide directions to bodies of knowledge, but will place greater emphasis on applications. Students will spend relatively less time on fact acquisition and more time on experiential learning.

Group learning will be privileged over individual learning. Emphasis will be more on the diversity of perspectives that can be brought to solve problems, than on identification of a single correct or best approach. Non-cognitive methods of expression will be encouraged to stimulate creativity in the solution of 'messy' problems, and to facilitate communication. Attention to applications of knowledge will increase inter-disciplinary work. Over time this will lead to a blurring of disciplinary lines and the creation of new disciplines that are amalgams of present ones.

Greater emphasis will be given to learning at the work site, whether it be a factory or hospital or court room or board room. As students become increasingly adept in using the technologies that contribute to globalisation as sources of information, teachers will have to become more skilled in identification of applications for the knowledge students acquire. This will take two forms. Some teachers will become increasingly competent at conceptualisation of problems and issues in terms of which bodies of knowledge are most pertinent. Other teachers will become more skilled at hands-on application of knowledge.

In effect, teaching will expand to recover methods de-emphasised by the adaptation of the fordist metaphor of production to the production of learning. These older methods make more use of non-cognitive dimensions of human experience. This kind of teaching and learning emphasises construction of knowledge through action over discovery of existing fact. Purpose defines the value of knowledge, and subjectivity becomes as important as objectivity. Because most problems require group action, inter-subjectivity, that is shared understanding of both fact and purpose, is essential.

Flexible production organises work into smaller units for the purpose of matching product to clients' demands and suppliers' capacity. This suggests that important aspects of the research associated with production will be decentralised. At the very least, it is likely that the number of countries in which research and development research is carried out will increase. For example, the Japanese, leading users of flexible production, are increasing the volume of research done outside Japan. Two objectives are served by this strategy. First, localised production units get the knowledge that fits their requirements. Second, central units responsible for developing the next innovation have access to a more diverse set of alternatives.

Marketing research comes first to mind, but to the extent that client preferences can be accommodated in customised production, localisation will also lead to local research on production technologies. The logic of flexible production dictates that this research will be carried out 'on the line' by production workers, as well as in laboratories. This does not mean that in the future all workers will have to have university degrees. Instead, what will matter is the organisation of production to permit 'learning by doing' (Bailey and Eicher 1994).

Much of the research activity consistent with the metaphor of flexible production will be narrow in its application. But some measure of basic research also is necessary for the technological innovation that contributes to economic growth. Basic research is likely to be limited to a small number of universities and to special centres outside of universities. It will be important, however, to develop the capacity of all higher education institutions to carry out and teach applied research.

The metaphors of flexible and just-in-time production may tempt some higher education officials to 'right-size', to reduce faculty and increase student:teacher ratios, and to increase pressures for 'production', as classes taught or research products. Our understanding of the process of creation of new knowledge by higher education institutions is still limited, but it would appear that the most productive institutions, those universities famous for their generation of new knowledge and technological innovations, are those that maintain moderate workloads for faculty members and free up time for creative thinking and research.

The process of change will generate contradictions. Flexible production is likely to encourage greater mobility of professionals across national boundaries. In Europe, and now in the Americas under NAFTA, higher education institutions are pressured to fit their curricula to supra-national standards. In the long run, this kind of standardisation will result in a reduction in diversity in programmes, reducing the capacity of institutions to supply locally-appropriate research. On the other hand, flexible production should lead to increased investment by transnational corporations in applied research. In the early-industrialised countries, much of this research may be carried out in laboratories and centres located outside higher education institutions. In a number of developing countries, however, higher education institutions are the only institutions with a capacity for research. In almost all cases, the only higher education institutions with an installed capacity for scientific research are public higher education institutions. It is these higher education institutions that will be courted by transnational firms that seek knowledge for local production. In exchange for funding for research, the corporations will sit on university boards, eventually helping to write programmes and perhaps even select faculty members. In Mexico, for example, a centre for technological innovation at the National University went from an average of 10 projects per year to over 200 per year before and after the signing of the NAFTA agreement. Officials of the centre look to transnational corporations for directions as to what kind of capacity to develop for the future.

But higher education institutions are supported by and intended to contribute to national communities as well. Transnational contracts for research rely on the availability of plant and equipment built with national funds. Most of the graduates of the university will work in national enterprises. A mechanical transformation of all higher education institutions in accordance with the metaphor of flexible production could, therefore, reduce the contribution of higher education to national development. This is especially important for countries not included in the economic regions.

The most efficient organisation of higher education in response to globalisation would act to increase the diversity of institutions and their curricula. Countries that achieve high levels of diversity in higher education will, over the long term, be in a much more favourable position than those countries that follow the fads and end up with standardised and uniform institutions. Globalisation offers humanity a great opportunity to recognise our diversity and in acting to preserve it, increase the chances of survival of our species. The new technology of production appears to provide an opportunity for poor countries to escape the chains of a structure of comparative advantage that would assign them to low rates of development. *Lessons of Experience* is to be praised for its emphasis on the importance of avoiding universal remedies for higher education. It is important to pursue diversification in all countries. To do so will require strong governments with a clear concept of the special role of higher education in the process of development.

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Higher education-business partnerships: the dilemma of competitiveness and equity

Wim E. Biervliet

Introduction

The World Bank higher education study (1994) outlines the crisis in higher education in terms of declining resources, quality and equity. It correctly notes that the crisis is world-wide even though it is generally recognised that investment in higher education is essential for economic growth and social development. Higher education institutions are faced particularly with two factors detrimental to external efficiency, i.e., graduate unemployment and declining research output. Yet the characteristics of the crisis differ amongst OECD countries, middle-income countries and low-income countries. In OECD countries, there is a massification of higher education with enrolment ratios of on average 51%, while in low-income countries the enrolment ratio of 6% (World Bank 1994:1) still transcends the absorptive capacity of the labour market and poses problems of equity with regard to access to higher education. Teichler (1994) notes that the relationship between higher education and employment in the North has again become an important issue because higher education institutions are dependent on the success of their graduates in order to secure financing.

In many countries, higher education is heavily dependent on government funding and consumes a disproportionate part of the overall budget for education in a period of contracting public sector resources. In the Netherlands, NLG 1.5 billion budget cuts have been proposed in the education sector over a four-year period. The education budget for 1995 amounts to around NLG 35 billion of which around one third is allocated to higher education. Measures of economy are heavily concentrated in the higher education sub-sector with NLG one billion being expected to be realised through savings on student grants and NLG 500 million on university education. Proposals for savings relate to a decrease in the length of undergraduate studies and an increase of student fees. During the last years, the Minister of Education and Science has pleaded for co-financing by industry within some disciplines. Representatives of the business community, however, objected and emphasised the role and responsibility of the state in financing and catering for education and warned against market principles becoming dominant in higher education. Higher education lobbyists claim that educational reform is budget-cut driven rather than based on quality considerations.

Reimers and Tiburcio (1993) argue that alternative policy options should attempt to satisfy three criteria: the impact of policy on the external efficiency of education; the impact of policy on the internal efficiency of education; and the impact of policy on equity. The authors claim that at the higher education level, which offers substantial private returns and in most countries benefit the children of the rich disproportionately, there is greatest scope for shifting the financial burden through cost-recovery combined with carefully targeted scholarships or bursaries for students from low-income families. In contrast, the World Bank recommend four key directions for reform: greater differentiation of institutions, incentives for diversification of funding, redefining the role of government in higher education, and introducing policies explicitly designed to give priority to quality and equity objectives.

This paper concentrates on one of the modalities for diversification of funding described in the World Bank study which implies higher education-business partnership one way or another. This higher education-business liaison may include private sector endowments, the pursuit of income-generating activities such as short-term courses, contract research for industry, consultancy services, cooperative research programmes, business incubation centres, and tax measures to facilitate the liaison. Trends, intricacies and prospects for university-business partnerships will be described as well as the implications for quality and equity issues. Reference will be made to OECD (Organisation for the Economic Cooperation and Development) countries and Latin America, while some approaches in NICs (Newly Industrialised Countries) in South-East and East Asia will be described somewhat more in depth.

The paper draws upon a worldwide study on training with production (Biervliet 1994a) and on a paper prepared for an international seminar on education-business relationships (Biervliet 1994b). The university-business liaison is focused on mobilisation of technology and human resources available both at institutions of learning and at economic institutions in the pursuit of specified objectives related to the knowledge industry.

Higher education-business: a radically changed relationship

The relationship between higher education and business has radically changed from lack of interest to mutual interest, from 'ivory towers' to courting, and increasingly from a perennial mismatch to a 'marriage a raison'. There is a shift in the university's classical role of relating individuals to the pursuit of knowledge, to an increasing appeal by industry for access to the scientific and technological resources of the university in the pursuit of its economic objectives. Their interdependence through linking knowledge generation to its utilisation in the entire production cycle is being increasingly stressed. According to Hardiman (1994) knowledge has been commoditised and a prime knowledge industry is emerging as a key factor for productivity, competitive strength and economic achievement.

Nevertheless, higher education and business are still often separated, except for medical studies and accountancy where there has traditionally been a strong link and integration between study and intensive internship (work experience). Caillods (1994) claims that it is generally recognised that institutions should be increasingly able to establish contact with local businesses, place their students and graduates in enterprises, and follow-up such placement - including the establishment of mechanisms for evaluating the performance of individual institutions and making them accountable through performance-related resource allocation. This changed relationship has been shaped by economic and political restructuring processes.

Impact of economic and political restructuring on university-business liaison

The present period of change and uncertainty is illustrated by changes in modes of production, markets and technologies within an environment of growing competition and need for competitiveness. These changes relate to significant worldwide restructuring processes which started in the 1980s. First, there was a changing role for the state in catering for the needs of citizens and a subsequent move towards decentralisation and privatisation. This has involved a gradual reduction in the centrality of the public sector in general, and a reduction in the state's combined role as financier, administrator and provider of higher education, including research and development (R&D), in particular. As a consequence, the private sector plays a stronger role both nationally and supranationally in steering human resources development in order to meet technological requirements, and in (co)financing education and R&D efforts.

Second, the process of structural adjustment had a tremendous impact on public sector employment and on battered budgets of higher education institutions, including their R&D efforts. Reimers and Tiburcio (1993) provide a review of existing research and data on the allocation of budget cuts in education, including the share which the different education levels bear in these cuts as well as the effects of adjustments on access to different education levels. Third, there has been a transition - sometimes abrupt and sometimes gradual - from planned to market economies.

Together these restructuring processes are linked to what is referred to as globalisation, a process of transcending boundaries of nation-states as producers and markets. According to McGinn (1994a, 1994b), globalisation processes imply major flows and movements of people, information, new technologies, capital, and images and ideas which are not restricted to nation-states (cf. McGinns paper in this volume). Globalisation may relate to certain economic activities involving regionalisation of markets. It is clear that in this process the public and private sectors, supranational organisations as well as companies with global production networks assume new roles. The role of the state in terms of generation and utilisation of knowledge and in terms of producer and market will change as a consequence of globalisation. The public sector has an important role to play in regulating or directly providing communication services on which the globalisation of highly competitive activities is based (ECLAC 1992). Education assumes the role of catering for the skills and attitudinal requirements of these global production networks. The curriculum for higher education may become partly globalised and produce a graduate international elite which fits within the global production network.

In the European Union, education policy at the community level aims at strengthening the capacity to respond to a number of key factors, including economic restructuring, the globalisation of firms, and the rapidity of changes in markets and technologies in the manufacturing and service sectors (Jones 1992). Neave (1994) refers to the emergence of a higher education space in Europe. While education remains the prime responsibility of nation-states in the European Union, student exchange and inter-university cooperation institutionalised in European programmes, such as Erasmus, have created an internationalisation of certifications and qualifications as a basis for mobility of graduates in the European Union. In concluding, Neave refers to shifting trade routes in student exchange on the one hand, and a marginalisation of developing countries' universities from the international exchange of knowledge as they need to mobilise all their efforts to survive. This picture may be too bleak when considering the high emphasis on higher education and R&D in the NIC's, but may be correct for higher education in sub-Saharan Africa.

It is not obvious which adapted technologies and skills, individual enterprises would require in order to increase their competitiveness and to implement high production systems, who should bear responsibility for and the costs of their generation, which role the state should play, and what resources should be devoted for technology development, and education and training in order to achieve goals of efficiency and equity. In order to adjust to these macro processes most countries, both developed and developing, are now in the process of reviewing, adapting and sometimes redesigning their higher education systems. There is, however, an apparent contradiction between the trend towards decentralisation and globalisation. Nation-states' authorities can seek to accommodate both economic and broader nation-building oriented objectives and balancing supranational influences through policies and regulations, the setting of standards and accreditation, and by keeping control over the curricula.

Changing rationales for university-business liaison

Formerly, enhancing university-business relationship was founded on pedagogical and social principles of integrating theory and practice as a means to attitude formation and to bridging the gap between institutions of learning and the local environment. More recently, the economic rationale tends to prevail in order to obtain economy of scale and efficiency in resource allocation and utilisation under conditions of austerity between institutions of learning and enterprises. Both universities and firms exist in an increasingly competitive situation, with decreasing levels of public subsidy and funds for research and human resource development, and have to look outside for technological and financial resources. Small companies, in particular, have problems developing their own science and technology base in order to adapt to changing technology requirements, and have to obtain access to technology resources available at and through higher education institutions.

Universities and businesses tend to become partners in a joint economic venture to transfer and transform students to employees through cooperative programmes, but also to be central in technology transfer in the whole production cycle. For universities this type of partnership is essential to meet the requirements of income generation, to attract promising students and high-level research staff in an increasingly competitive market for students and high-level research staff. For students it means enhanced changes in employment in the private sector, application of theory in real life based experiences, and the challenge of proceeding through an institution of learning and of production.

For businesses the liaison ensures higher efficiency in recruitment of graduates who can be assessed during their period of work experience, and who have gone through curricula which meet the criteria of job fulfilment and, hence, economises on extensive periods of on-the-job training in which the productivity and rate of return per staff member is not optimal. Economising can also be made on the infrastructure for in-service staff development for which expertise and/or facilities can be hired from universities. Most importantly, access can be obtained to the technology base, and the research and development strengths of the university.

Types of university-business liaison

Broadly speaking, the following types of partnerships can be distinguished which, in many cases, are complementary rather than mutually exclusive: learning-centred liaisons; technology transfer-centred liaisons; management liaisons; and resource endowments.

Learning-centred liaisons focus on the management of cooperative education programmes, including quality curriculum development, training and recruitment of teachers, mutual staff secondments, sandwich courses and other forms of cooperative education, seminars, training programmes and courses for industry, work experience, enterprise-related dissertations and, finally, placement and follow-up contact with graduates.

Technology transfer-centred liaisons relate to knowledge, patents, proto-types, product licenses, know-how and soft-ware being transferred through collaborative or industry-sponsored R&D, consultancy services, extension services for small companies, publications, access to information, science, technology and human resource bases available at universities.

Management-centred liaisons relate to external industrial membership of key university committees, the establishment of industrial advisory boards, the elaboration of clear objectives and procedures for the programme, the encouragement of campus companies, including spin-off companies.

Resource-centred liaisons include industry contributions for research facilities, donation of laboratory equipment, industry-funded research fellowships, industry-endowed chairs, incentives for university staff including topping up of salaries and sponsorship of students.

In line with the trend towards globalisation and apart from ad-hoc initiatives by specific universities and businesses, national programmes are increasingly enhancing university-business liaisons and international programmes, such as the COMETT programme, are observed. However, sub-Saharan Africa is not participating in the worldwide scenario of programmes liaising university and business. This lack may be due to its marginal position in market-oriented globalisation processes and implies that one of the sources for higher education funding may not be available to assist in accommodating the higher education crisis in that continent.

Challenges in university-business liaison

In the past, the legal framework in many countries prevented universities from being involved in income-generating activities and, in certain cases, from accepting private sector donations. In line with the funding constraints of higher education, the emphasis on diversification of funding, and the need for contract research and consultancies, the legal framework has been adapted. Tax laws have been changed to encourage private sector donations and systems have been developed enabling salary incentives from other sources to be applied in public sector institutions. Still, in some countries including Malaysia, academic institutions are prohibited by law from forming companies or selling equities (Ratnalingham and Singh 1993).

Proper accreditation has to take place of work experience in companies as part of cooperative education or sandwich programmes. As a consequence, the in-company period of university education has to be set out as an integrated part of the curriculum and has to be assessed appropriately.

Research and development at universities can become increasingly dependent on the business partner. This dependency may lead to lack of interest in research which is not economically rewarding, in particular basic research. Moreover, the R&D agenda may be dictated by the industry client and R&D staff may only be recruited for short-term business-commissioned assignments. As a consequence, in the medium term the knowledge base of universities may be increasingly determined by the needs of the industrial partners and universities may not undertake sufficient basic research. The dissemination of R&D may become constrained by issues related to intellectual property rights.

Higher education-business partnerships: some concrete examples

Approaches in the North

In the North, programmes by the European Community, OECD and the Council of Europe touch upon components of education-business relationships. From the mid-1980s the emphasis of these programmes changed from combatting youth unemployment to focusing on the liaison between education and industry. This was done within the framework of programmes aiming at enhancing within the OECD and Europe the competitiveness and capability to face technological restructuring and innovations. The shift in emphasis was partly due to contracting birth rates which necessitated a mobilisation of human resources in order to meet technological requirements.

In view of contracting public sector funding, especially for R&D, universities in OECD countries had to focus on other sources of budget provision, including contract research and consultancy services. Based on a survey in 14 countries, the OECD conducted a study on new forms of co-operation and collaboration between industry and universities. The report referred to "incubator factories" designed by some universities to assist infant industries, provision of quality control, evaluation and testing services, and placement of graduate students in an industrial environment and their involvement in industrial problem-solving. The report recommends that "governments can facilitate and encourage these new forms of co-operation by adjustment of legal and regulatory constraints and by provision of adequate incentives to all parties including the launching of national stimulation programmes" (OECD 1984:9).

The emphasis is on adaptation to changing economic environments and conditions and the role of education and training in this process. A conference on Education and the Economy in a Changing Society referred to the demand for restructuring public education and training institutions and policies, and their role in relation to employers and trade unions. The conference concluded that there is a need for coordinated strategies within governments and for actively involving other parties in order to promote maximum flexibility and adaptability on the part of enterprises, education systems, labour markets and individual workers. The need was also stressed for higher education institutions to become more entrepreneurial in outlook and increasingly self-sufficient in funding (OECD 1989).

Many programmes have been established at the national and supranational levels within regions and markets (e.g. European Union, NAFTA) and amongst regions. Jones refers to the Transatlantic Declaration on Relations between the European Community and the United States of America signed in November 1990 by President Bush and President Delors:

> "The partnership between the European Community and its member states on the one hand, and the United States on the other, will be based on continuous efforts to strengthen mutual cooperation in various fields which directly affect the present and future well-being of their citizens, such as exchanges and joint projects in education and culture, including academic and youth exchanges" (Jones 1992:3).

At the European Community level, the programme on cooperation between universities and industry regarding training in the field of technology (COMETT) has been operational since 1986. The programme was developed because of concern about the weak linkages between university and industry in Europe and its detrimental role in improving competitiveness of European industry. The COMETT review by a panel of experts refers to COMETT as part of a coherent set of Community policies for economic and social development in order to improve the competitiveness of European industry, and recognises that the key to improving competitiveness lies in reducing the time gap between the availability of technology and its practical application. Among the recommendations of the review are training for managerial, social and enterprise skills, further emphasis on the placement of graduates rather than undergraduates in industry, and active industry participation in the development and subsequent financing of training courses (Prosser 1994).

In Japan, the government has taken initiatives to encourage cooperative research between industry and universities and various mechanisms are in place to facilitate the development of interaction between firms and universities. Three systems have been set up to facilitate cooperation between universities and industry: the bringing together of researchers from both sectors to conduct joint research; contract research commissioned by industrial firms and conducted by university researchers; and the acceptance by universities of researchers and engineers from industry in order to enhance their research capabilities. Moreover, a system of endowed chairs and divisions (as of August 1993, 65 chairs and divisions) has been established and centres for cooperative research are operational (Yamamoto 1994).

In the 1980s, the USA project A Nation at Risk expressed growing concern about the competitiveness of the economy due to the quality of the graduates from its education system. According to Brand (1992), however, federal government emphasis remained on equity at the expense of quality considerations. The education reform movement in the USA has been strongly driven by business.

Some notes on approaches in Latin America

Reimers (1991, 1994) outlines the effects of structural adjustment on education, including higher education, and its devastating effect on the research capacity at Latin American universities and research institutions. ECLAC (1992) refers to the

Quito Declaration stressing the need to embark on a new stage of educational development to meet the challenges of changing production patterns, social equity and political democratisation. Reference is made to the greater importance attached to the economic function of education as a result of the new conditions of globalisation and international competition.

The ECLAC report also refers to an impressive range of initiatives for linkage between universities and the productive sector, including a programme funded by the Ford Foundation and carried out by the Monterrey Institute of Technology - a technological research trust fund established by the Mexican Bank SOMEX S.N.C. and the National Autonomous University of Mexico (UNAM) - different forms of tax exemptions, including the Chilean approach, as well as Inter American Development Bank (IDB) loans to establish mechanisms to liaise technology suppliers and users.

The Columbus project linking European universities with their Latin American and Caribbean counterparts has been established under the sponsorship of the Standing Conference of Rectors, Presidents and Vice-Chancellors of European Universities. The programme concentrates on university management and on linkages between universities and industry, and is restricted to sponsored visits by university authorities.

Regional and some selected country approaches in South-East Asia

In South-East Asia there is a growing common emphasis on human resources development as a core integrating concept in development planning and policy. This was clearly indicated in the Jakarta Plan of Action on Human Resources Development in the ESCAP (Economic and Social Commission for Asia and the Pacific) region of April 1988 (ESCAP 1988).

The 47th session of ESCAP was held in Seoul in 1991 on the theme Industrial Restructuring in Asia and the Pacific. In 1993 at Kuala Lumpur, the first Regional Forum for Sustainable Industrial Development and Restructuring concentrated on privatisation, enterprise to enterprise cooperation, in particular for SMEs (Small and Middle-Scale Industries), technology transfer and human resources development. The NICs face widespread shortage of skilled workers, calling for a general upgrading of their workforce in order to sustain the reorientation of their economies towards increasingly technology-intensive production.

In Singapore, the liaison between education, training and industry is fully streamlined and there is a strong demand-based approach to skills development. The Economic Development Board in joint ventures with some multinationals and a number of foreign governments (France, Germany, Japan) runs a number of technology transfer centres focusing on high-tech approaches to manufacturing. These centres provide courses of two (or three) years duration, run as a training factory with built-in production components and culminating in a final group project in the last term, which involves the execution of an industrial order going through the full product preparation and development cycles (Wiemann 1992).

The National University of Singapore Initiative covers collaborative R&D, programme management, technology transfer and licensing arrangements, and industry liaison. Technology groups have been identified within the campus to match core business areas of the Singapore industry. Enterprises can get preferential access to university resources on a monthly subscription basis through INTROLINK which serves external clients, for example, with access to library and information system resources, data on expertise available at the university, and information about seminars (Chou 1993).

In Indonesia, the Government Regulation P.P. No.30/1990 on higher education emphasises further decentralisation of authority and responsibilities to the universities: decentralisation; more freedom for income-generating activities through production and service activities; and strengthening cooperation with industry (Biervliet 1990).

Politeknik Manufaktur Bandung (POLMAN), affiliated to the Institute of Technology Bandung (ITB), caters for training of high-level technicians in the field of mould and die-making, maintenance mechanics, drafting and design, as well as foundry and pattern-making. Apart from training, POLMAN is involved in technology advisory services and production. The product scope of POLMAN is very wide and consists of training (regular, contract training including tailor-made programmes for industrial personnel; a sandwich programme, Diploma Courses for industrial trainers), consultancy, product design and development including materials testing, production and machine tools repair and rebuilding.

At present, China is at a critical stage of technological development. The government considers further development of education and promoting science and technology as an urgent need to realise the strategic goal of establishing an adequate infrastructure for economic and social development in a mixed economy through the introduction of certain aspects of a competitive market economy. As a consequence of this gradual transition process, full central control is matched by decentralisation and devolution of authority and responsibility, allowing for regional and local authorities to attain centrally established goals and targets following their own approaches and means of resource allocation and utilisation (Noah and Middleton 1988). The Shenzen Economic Special Zone is an example of the contribution higher education and training can make to a municipal development plan. Several articles, amongst others by Li Yunzun (1992) and Wu Bing-Xing *et al.* (1992), describe the role of continuing education including applied research within large enterprises.

Approaches by international organisations pertaining to the South

UNESCO implements the UNISPAR (University-Industry-Science Partnership) Programme which concentrates on adaptation of university engineering education to industrial needs, promotion of partnerships between universities and industry for the retraining of practising engineers, identification of effective ways and means of improving the transfer of research results to industry, and assistance to UNESCO member states in creating or strengthening effective university-industry-science cooperation. UNIDO (United Nations Industrial Development Organization) and UNESCO have recently agreed to take joint action in the promotion of human resources development and technology transfer, and in the enhancement of cooperation between science and industry in developing countries (UNISPAR 1994).

Conclusions

The World Bank understanding of higher education being "of paramount importance for economic and social development [and of] institutions of higher education [as having] the main responsibility for equipping individuals with the advanced knowledge and skills required for positions of responsibility in government, business, and the professions" (World Bank 1994:1) indicates a broader role for higher education in society than enhancing economy and market-driven forms of higher productivity. Value formation for social integration and development for all in civil society are equally essential. Higher education policy and resource allocation have to match objectives related to excellence for increased competitiveness with objectives related to equity and nation-building issues. In the debate on higher education-business relationships, the role of higher education tends to be narrowed to provision for an elite in growth poles of society in order to support growth rates, but with the effect of marginalisation and increased inequality. This dilemma is increasingly being recognised:

> "In the coming decade, the countries of Latin America and the Caribbean will face both internal and external challenges. Internally, the challenges will be to consolidate and heighten democracy, social cohesion, equity and participation: in short, to build up modern citizenship. Externally, the challenges will be to reconcile the aspirations for access to modern goods and services with the generation of the means which will effectively permit such access, i.e. international competitiveness. The transmission of values, the ethical dimension and the forms of behaviour typical of modern citizenship, together with the generation of the capacities and skills which are essential for international competitiveness, receive a decisive boost from education and the production of knowledge in a society. Reform of the system of production and dissemination of knowledge is a crucial instrument for tackling both the internal and external challenges" (ECLAC 1992:17).

Still, many basic issues remain, e.g. what is our knowledge base regarding the changing requirements and what might this mean for higher education? To what extent should we reshape higher education in terms of greater vocational and professional emphasis? Do we need to subordinate our educational goals to employability, and what is a proper balance between the two (Teichler 1994)?

Experiences so far in all continents do not provide a realistic back-up for the tentative target of 30% of recurrent expenditures from non-government sources referred to in the World Bank study (World Bank 1994:7). In general, it seems that the World Bank recipes in terms of diversification of funding, including through higher education-business liaisons, are applicable more to the North and NIC's than to low-income countries in sub-Saharan Africa.

The state has to become a strong monitor and regulator as well as resource allocator negotiating with both educational and economic, local, regional, national and supranational actors in order to accommodate objectives of nation-building, globalisation, and to remain competitive in international markets. It has to guard against the emergence of an economy-driven dual society with strong inequality and potential for social unrest. It has to develop mechanisms for selective allocation of public funding, as reflected in (ECLAC 1992:185), but on which there seems to be global consensus:

a) funding should be distributed according to the level of education and type of expenditure with priority assignment to universal access to basic education;

b) criteria of social equity should be applied and the state should ensure that educational opportunities are based on achievements and distributed suitably;

c) strategic criteria must be developed which link public funding for human resources development with priorities in the national or regional market policies and plans.

Enhancing university-business relationships will be a vital condition for supporting productivity and competitiveness. An important common item on the agenda is to assess and develop feasible approaches to strengthen mutual cooperation between higher education institutions and businesses. Very little systematic knowledge has been collected on the methodological and curriculum development areas, including approaches to accreditation, in order to facilitate an integrated approach of cooperative education.

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The challenge to the liberal vision of universities in Africa

David Court

"In Africa, it must all be thought out afresh, not once for all but continuously for generations" (Marris 1967).

Introduction[1]

A striking feature of the recently published World Bank report on higher education is the extent of its doubts about the subject in general and about its main historical form - the university - in particular. Unable to rest its case on the positive cross-national economic development indicators available to the proponents of primary, or better still, female education, the report is a very conditional statement of faith, punctuated by constant references to the high cost of tertiary education, its low rate of return and the Bank's intention to concentrate upon the more demonstrably profitable investments of primary and secondary education.

This emphasis is not explicitly extended to the view that universities are a luxury that poor countries cannot afford. Such a position would be politically untenable anyway. But the unequivocal view of the paper is that universities, in anything resembling their present form, are a poor investment and need to be trimmed and restructured so that they concentrate primarily on producing the skills required by the market.

The tone is set by the front cover picture of the paper. It features not a distinguished African scholar, scientist or university administrator - not an Odhiambo, a Mazrui or a Ramphele - but a 'trainee technician' in an unspecified Senegalese institution. The future is seen to lie in the realm of the vocational, the utilitarian and the functional. With its starting point as the 'current crisis', the paper has little time for reflection on the historical contribution and evolution of universities, nor does it attempt to convey a conviction about the value, purpose or mission of the university beyond a passing reference in the opening paragraph.

A work attempting to cover a multiplicity of institutions across the entire world, and to counter crisis with optimism and practicality is inevitably and appropriately drawn to seek convergence in its analysis, and broadly applicable prescriptions in its conclusions. Within a general refrain applauding the success stories of South-East Asia, such conclusions are further illustrated by a series of case studies from California to Cameroon. However, in a work of restricted length, little emphasis can be accorded to the contextual explanations that lie behind the cited successes and the implied disasters. The result is a clear, and disarmingly simple, set of suggested policy reforms that define the terrain on which the improvement of higher education is to be sought and offer some specific points of departure in that enterprise.

The Bank paper's characterisation of the generally parlous state of higher education worldwide certainly applies to Africa, and the need for many of the reforms in the proposed package cannot be gainsaid. This commentator does not dispute the general merits of differentiation, diversified funding, a redefined role for government or more explicit policy attention to quality and equity, or take issue with many of the specific measures that derive from this framework. Most of them, individually or in combination, are likely to be applicable in some set of circumstances. They provide a useful menu of devices for policy-makers to know about and, indeed, some of them have already been injected into the strategic plans of Dar es Salaam, Makerere and Eduardo Mondlane universities as a direct consequence of the consultative process involved in the preparation of the Bank report. They would be necessary whatever the goals of the institution because of the shortage of resources and the pressure of numbers which afflict the universities.

They are necessary but they are not sufficient unless they also take account of issues and purposes which are as fundamental, if less tangible, than the short-term goals of managerial efficiency and vocational relevance. I will try to enumerate some of these other issues, principles and purposes - complementary aspects of the reality of higher education - which are not emphasised in the Bank paper. This is done from a vantage point in Africa and a conviction that universities cannot understand, or meaningfully reform, themselves without taking account of their history and context, without re-defining their constituency and lines of accountability, and without having a sense of a unique purpose that in some measure involves the creation of a capacity to produce and reproduce relevant knowledge. Universities have a function that goes beyond the economic and the narrowly developmental which is not easily, entirely or even appropriately measured in the utilitarian terms which characterise the Bank paper.

Resource scarcity or educational impoverishment

The central fact about the resort is that it starts from an economic premise about the scarcity of resources rather than an educational one about the content of quality. This feature, inevitable as the authors are bankers, does not prevent the elucidation of educational issues but it does tend to relegate them to a subordinate position - the penultimate chapter in fact. The central issues in Africa as elsewhere, as the paper declares, are those of quality, equity and relevance, but beyond these familiar watch words is a process of how education systems can help populations achieve integrated lives and identities as their traditional ways are brought into contact with the terrifying pace of technological change. In this report this educational process is an adjunct to budgetary issues. The paper is full of the devices of administrative and financial reform but, paradoxically, tends towards reticence regarding the content and value of education itself. Presenting the problem as one of budgetary crisis is not inaccurate, but it is incomplete and has the effect of couching the debate in a language where educational policy-makers, at least in Africa, can only feel defensive about their managerial incompetence and profligate ways.

Bank education sector loans in sub-Saharan Africa include a raft of reform conditionalities. Typical among them are: the restriction of enrolment; reduced per student subsidies; a variety of cost recovery measures and the overall reduction of public expenditure on higher education. Institutional reforms proposed by the report stress accountability in the narrow terms of accounting. They include: strengthening oversight bodies; enhancing capacity to evaluate funding needs, monitor performance and decide the mechanism for the allocation of the public budget for education; restructuring students loans, and the provision of technical and financial incentives to strengthen managerial capacity. These and others mentioned are useful, necessary and demanded by the situation, but they do not a university make! They are not accompanied by an equally helpful and parallel set of suggestions about the form and style of education itself, and the educational implications of this report have to be derived from its overall philosophy.

A utilitarian concept of higher education

There is support throughout the paper for a higher education which is applied, vocational, private and diversified and a purpose reminiscent of the one that drove Philip Foster to his vocational school fallacy of thirty years ago (Foster 1966). While this might seem a particularly appropriate emphasis for the poorest continent in the world, Africa - perhaps more than other places - also needs institutions for 'unapplied' teaching, learning, reflection and research. This is because of the powerful and continuing sense of technological, intellectual and cultural dependence upon the West and the consequent need to think out its own course and model of development.

The point is hardly a novel one: universities, particularly in an era of pluralistic politics, represent the most likely places for the training of original thought and the conduct of basic research which in the last resort are the only means by which societies can take control of their own destiny. Such a function within a diversified higher education system is not a luxury that can be dispensed with for a period, pending better economic times, but an integral part of the development process itself. As African Heads of State reiterated in Maputo, at a recent Second Presidential Forum on the Management of Science and Technology for Africa, the continent needs to be a creator of science and technology and not simply a consumer of imported versions. Few challenges are more immediate or more important for African universities than that of identifying relevant devices for recreating and rewarding an intellectual ethic, scientific imagination, academic commitment and research productivity.

The educational alternative

If educational purposes, such as scientific productivity, vigorous research traditions, lively post-graduate teaching and a healthy scholarly publications industry were set beside the utilitarian purposes assigned to higher education by the Bank report, a different set of issues, assessment criteria, research priorities and policy reforms would come to the fore. Among such issues would be those of how to preserve scientific and scholarly communities from a process of homogenisation and mediocritisation brought about by uncontrolled expansion; whether four or six years at the secondary level is the best preparation for university education; how multi-institutional systems can be truly diversified and specialised and not merely duplicative in their offerings; what should be the function and form of national examinations; to what extent should universities in Africa attempt to remain on the international academic gold standard, and how best to address the problem of attrition to overseas or international organisations of the most highly trained of Africa's scholars and scientists.

Each of these questions relates to the central issue of how universities in Africa can contribute to the creation and maintenance of enduring opportunities for outstanding scholars and scientists to read, reflect and do research that results in the production and application of relevant knowledge.

Because post-graduate programmes and research are the first items to suffer the incursion of austerity, the ability of universities to replenish themselves has been seriously eroded in Africa. The problem has been compounded by the heterogeneous, scattered and often inadequate quality of training programmes overseas. Systematic attention to the development of complementary local and overseas graduate programmes for the future staff of universities in Africa is long overdue. Of perhaps even greater importance is the need to investigate the scope for expanding collaborative training programmes that pool the comparative strengths of different institutions across Africa. Outstanding examples here are the collaborative MA Programme in Economics of the African Economic Research Consortium (African Economic Research Consortium 1993) and the African Regional Postgraduate PhD Programme in Insect Science coordinated by the International Centre for Insect Physiology and Ecology (International Centre for Insect Physiology and Ecology 1993).

Whatever efforts are made, the threat of the brain drain in a global incentive system is likely to become ever more serious. In a situation of institutional deterioration, such as Africa is experiencing, the best hope probably lies in strengthening networks of individuals and a collective sense of academic commitment, pending the revival of universities themselves. The larger dilemma is whether attrition into the international system in Africa or overseas reflects a rational response of well-trained individuals to an impossibly inhospitable institutional environment or, alternatively, whether it suggests that the content of the training itself in its overseas or locally imitative form is basically irrelevant.

Mahmood Mamdani has some powerful and semi-autobiographical words on this subject:

> "In our single-minded pursuit to create centres of learning and research of international standing, we had nurtured researchers and educators who had little capacity to work in surrounding communities but who could move to any institution in any industrialised country, and serve any privileged community around the globe with comparative ease. In our failure to contextualise standards and excellence to the needs of our own people, to ground the very process and agenda of learning and research in our conditions, we ended up creating an intelligentsia with little stamina for the very process of development whose vanguard we claimed to be. Like birds who cross oceans when the weather turns adverse, we had little depth and grounding, but maximum reach and mobility. So that, when the going got rough, we got going -- across borders. Faced with a growing brain drain, some African governments turned to the stick, to outright coercion; others, with much prodding by international donors, turned to the carrot, simultaneously trimming universities while upping the privileges of those who had survived the process. But none questioned the very nature of the institutions we had created and sustained" (Mamdani 1993:15).

We do not have to agree with the whole of this statement to acknowledge the root and branch magnitude of the changes that are felt necessary for Africa's universities and, if this is accepted, it becomes clear that the Bank proposals do not really measure the depth or character of the problems involved.

For one sitting in Kenya at the present time, a perverse reaction to the clinical clarity and reformist tone of the Bank report is to contrast it with the sheer disorder of the university scene here when compared with that of other settings. Reforms of the type discussed in the report require a minimum level of administrative rationality and institutional integrity that seems to be eroding in many parts of Africa. This commentator could not help contrasting the Bank report with Robert Kaplan's anti-utopian vision of the future presented in the February 1994 edition of the *Atlantic Monthly* (Kaplan 1994). That article is, mercifully, no more than a scenario, albeit one that evokes pangs of recognition in this particular part of the world. Those who are grappling with the challenge of higher education in Africa need to combine the optimism of the Bank paper with a sense of reality and history concerning the context in which implementation will occur.

The political context

Universities in Africa were creations and extensions of the state and have continued to be run as if they were part of the apparatus of the civil service. In the early years of independence, the state was an ally in the universities' pursuit of Africanisation, within the institution and outside it, that was an essential first step for meaningful development. With the onset of economic austerity the state became an encumbrance as it retained control and increasingly adopted political criteria and a punitive stance in its treatment of universities. A greater degree of autonomy from the state, and the opportunity for self-regulation, are undoubtedly prerequisites for self-improvement. In part this is an issue of academic freedom. Universities, as stressed above, have no *raison d'être* if they are not places which concentrate some of the best available minds and provide the opportunity for the free exchange of ideas. It is also an issue of educational quality. The opportunity to do such things as select their own students or seek independent financing - which most government universities in Africa do not currently have - would be important steps towards improved educational quality.

In this connection the Bank report chapter on 'redefining the role of government', and delinking universities, is an important recognition of the paramount need to rethink the terms of this association. However, the difficulty of the task cannot be underestimated because of the political importance of the educational apparatus and state reluctance to relinquish control of it. In the highly politicised context which is likely to remain, the call for privatisation is likely to be viewed not simply as a way of meeting educational costs but to imply a devolution in the fashioning of policy which, by expanding local autonomy in decision-making, may threaten the whole structure of central control.

The report acknowledges an important point about context when it suggests that concerns about the preservation of national unity and a sense of common citizenship are an understandable explanation for government reluctance to encourage a sectionalised and sectarian system which is already being reinforced by the involvement of international religious organisations in sponsoring private institutions.

However, the coherent policy framework sought in the paper - planning units, national commissions and decision-makers building consensus around reforms - will not quickly do away with the desire for central political control. In Kenya, for example, the two most important decisions affecting higher education in recent years - the doubling of university intake and the abolition of the two year pre-university 'A' level course - were reportedly a surprise to the Ministry of Education itself. The situation where educational policy decisions are made at the highest level and are based on careful political calculation is not an anomaly that can be expected to disappear, but the continuing context of decision-making. The implementation strategies implicit in the paper need to take account of this context which is perhaps a call for more stringent and explicit political conditionalities to supplement the economic ones.

Kenya again provides a case in point in the long stand-off between university faculty and the Government in 1994. This confrontation undermined the purpose of the Bank's special provision to Kenyan universities and threatened the very existence of the university system as it has been known. Donors are beginning to exert political conditions but to no avail so far.

> "Most Kenyans, and particularly past members of the convocation know, almost intuitively that the situation is calamitous. There is very little research going on and even post-graduate programmes which formerly were spared upheavals at the university have been severely interfered with. Recently some international organisations which spend millions annually to underwrite research projects issued an ultimatum to the authorities that they will be obliged to pull out from the deal unless studies resume immediately and assurances are given that university education will not be used as a platform for political slugging" (*Daily Nation* 1994).

Diversity and the historical context

As the Bank report makes clear, national and regional circumstances will determine the particular shape in application of some of the proposed reform directions. A document covering the whole world could hardly be expected to provide exhaustive local texture, but it would nevertheless have been instructive from an African perspective for the document to have risked some explanations to accompany its illustrations, of the diverse levels of achievement from different parts of the world.

Explanations for the pace and shape of university development in Africa cannot dispense with the historical context. A review of another donor agency's experience in assisting university development over the past thirty years, published just before the Bank report, concluded that context and timing were all important in the implementation of university reform. Innovations that were possible in one setting at one time were impossible at the same time in another, but frequently came into being in a later epoch (Coleman with Court 1993).

It is not difficult to think of a long list of differences between the context of African universities and those of Latin America or Asia, each of which contribute in some measure to the distinctive character of university development in the various continents. High on the list would be such things as the nature of the colonial experience, the character of the political regime, the pace of economic growth and the history of education itself in different countries. Another important factor is the origin and form of the imported model of the university that different countries took on. In Africa the predominant model was either British or French. Leaving aside the variations between the two in terms of their internal organisation and their relationship to the state, they both differed significantly from the American model which is more often found in Asia and Latin America. Relative levels of industrialisation determine whether partnerships between the university and the commercial sector are possible and, likewise, levels of wealth or poverty account for whether privatisation is a large-scale option or cost-sharing a small-scale one.

The educational context: universities as part of an integrated educational system

Mindful of the rate of return evidence, the Bank report, at several points, muses whether there is any justification for higher education at all, and at one stage makes the case for the proposed reforms in terms of the savings that will be released for allocation to the primary and secondary levels. It could be argued however that the analytical separation of higher education from the other levels is largely artificial and that the education system should be taken as an integrated whole rather than as sections competing for resources. What happens at the university directly and indirectly affects much of what goes on elsewhere in the system. Thus, through its involvement in teacher training, examinations and textbook preparation the university contributes substantially to primary and secondary education. It is also in a good position, if freed from political interference, to conduct research on the real functioning of the education system itself. More important, the university is at the apex of an academic incentive structure that in the past has had a lot to do with whether people go to school at all. It has provided the social cement holding together a diffuse sense of meritocracy which, once destroyed, is very hard to replace.

Again Kenya provides an instructive example. One of the most immediate effects of the crisis at the university level has been the desertion of the national school system - primary and secondary - by those who can afford to go elsewhere.

Reform, accountability and the new covenant

While this article has stressed the importance of educational reform, to accompany the fiscal and organisational measures proposed by the Bank report, the need for fundamental reform is undeniable. The immediate question of course is who will initiate this reform, who will risk the break from the colonial mould and what will be its engine of sustenance? Universities worldwide are legendary bastions of conservatism and unlikely originators of the kind of change required. Governments have the demonstrated capacity to contain, restrict or encourage within an existing framework but are unlikely architects of a relevant new one.

The Bank report places substantial faith in umbrella organisations -national councils and commissions - as the directors of change, but again their record is modest, except as regulators of expansion, and they themselves are circumscribed in their scope of action by political considerations and directives. Kilemi Mwiria has reviewed the opportunities available to universities to develop linkages with other sectors as a way of stimulating change (Mwiria 1994). But, as Mamdani (1993) makes clear, a change in vision is unlikely without a change in the composition of those who define the vision. He points out that the source of power in university governance is the governing council and that the key to university reform is the reconstitution of these councils so that they embody the serious and responsible representation of the community to whom the university would be accountable. Two of the key groups in this community would be women, who are treated in the Bank report mainly as objects for equity attention along with the 'poor' and the 'disadvantaged', and students who are mentioned in the report only as potential voices of discontent. The other groups to make up the council would be, more predictably, the rest of the academic community, the productive sector and the state.

Restructuring the governing council of universities, like the reforms of the Bank report, sounds a rather simple and perhaps even obvious suggestion. Mamdani does not proceed to speculate on what an institution designed by such a disparate group might actually look like in terms of its teaching staff, course content, culture and purpose. But the notion is larger than simply changing the complexion of a committee. In its implication it is a call for a new covenant that couples accountability with responsibility and in this respect is an idea of a size commensurate with the nature of the problem. The serious involvement of students and women, not as objects of affirmative action or government beneficence, but as principal contributors to the debate about the future of African universities, would in itself be a significant step towards the identification of feasible channels of change (Namuddu 1993).

What lessons, whose experience?

The report is about the experiences of higher education in different countries that the Bank knows about, assisted or did research on and which, hence, informed its own lending policy. It says more about the organisational and institutional experience of different countries than it does about the experience of the Bank itself. It confines analysis of its own experience to a cautious, but none the less interesting and mildly self-critical, addendum.

This reader of the report would have liked to see comment on three aspects of the Bank's own experience: some analysis of the process of negotiation and investigation which are the preamble and the process of Bank lending for education; comment on Bank cooperation with other agencies in its work in higher education; and comment on the research strategy which assists lending policy in higher education.

First, the authors of the Bank report encounter the realities of the policy-making structure - its centralised, hierarchical authoritarian nature, the role of patronage and corruption, and the effects of ethnicity - in their regular negotiations. It is naive and unfair to expect a report, such as the one under discussion, to comment on issues involving delicate negotiation with sovereign governments. At the same time the process does seem a rather secretive one and it would be fascinating as well as instructive to have some insight into the process as it involved different kinds of governments in different countries.

Secondly, the Bank has had extensive experience working with other multilateral and bilateral donors and it is surprising that the paper does not have much to say about the lessons of this aspect of its own experience. The burden of many of my comments here has to do with the notion, often heard in the Bank itself, that the smaller donor agencies with a permanent presence on the ground may have a comparative advantage in helping to pave the way for the more substantial assistance of the type provided by the Bank. It would have been useful to have had some lessons of this part of the experience.

Thirdly, the great strength of the World Bank report on higher education derives from the Bank's unique access to detailed comparative information and its powerful capacity to analyse that information and draw general conclusions. The limitation of the paper lies in the particular prism which is applied to the research data; this is its paramount concern with the external efficiency, (matching enrolments to labour market needs), and the internal efficiency (cost management and cost-effectiveness) of institutions of higher education, and a heavy reliance on cross-national data. This explicit approach tells us a great deal that is insightful, useful and relevant but, because of the chosen parameters, it cannot be the whole story.

It would have been useful to have some comment on the utility of the Bank's own research, how well-served lending policy has been by past research and whether other types of information and input might have been useful. My own view is that we need additional kinds of research to supplement that of the Bank in telling us how universities really work. The content could draw on the fashionable rubrics of governance, gender equity and sustainability but the approach would be intensive and locale-specific rather than cross-national and highly aggregated. For example, among things that we might really want to know in Africa is what it means for a beleaguered Vice-Chancellor to have to negotiate with the Head of State or an invading army commander, how faculty members actually survive the decimation of their salaries and the undermining of their trained identity, how women get through the system at all with dignity and commitment intact, what students actually gain from their education and how they really view it, and how the meaning of 'university' maintains itself in a Rwanda, a Somalia or a Southern Sudan? In short, conclusions about university development drawn from cross-national analysis are strengthened to the extent that they can be grounded in data defining the social, cultural and historical context.

The point of these suggestions is not to criticise the Bank report for not doing something that it never intended to do, but rather to add to its conclusions and expand their context. The review of the Rockefeller Foundation experience in university development, mentioned earlier, came up with conclusions that attributed significant accomplishments and a broad value to universities and, in confirming the need for continuous change, assigned great importance to context and timing and a long-term view. If the emphasis differs from the Bank report, it is because the other review employed criteria of assessment that were largely endogenous and educational rather than exogenous and economic. The point is that both sets of conclusions are relevant in a context where we need all The Lessons of Experience that we can garner in providing information on which universities in Africa as elsewhere can fashion their new selves.

Challenge and optimism

This set of comments ends with the theme on which it began, namely the continuing need for African universities to define a role and purpose that is their own. In the early years of national universities the mission was self-evident and undisputed. It was to provide high-level manpower and conduct useful research. More recently, the universities have become the object of different, and sometimes inconsistent and competing, perceptions of what they are supposed to be doing. Employers, the Ministry of Education, the government more generally, parents, faculty members, and students themselves all have a different view of what the university might be accomplishing. Sorting out these different perceptions and accommodating them in institutional form is a prerequisite for a meaningful university system.

The retrospective and prospective project of the Association of African Universities and the Donors to African Education, on 'The University in Africa in the 1990s and Beyond', may help to begin the needed process of redefinition. The challenge is no less than to come up with a vision and a strategy that can enable African universities in the long term to avert the threat of intellectual dependence which their short-term deterioration has created. In this connection, in addition to the manifest utility of many of its reform suggestions, the Bank report has performed an inestimable service by stimulating a wider debate about the meaning and future of higher education.

Note

1. The views expressed in this paper are the personal views of the author and cannot be attributed to the organisation for which he works.

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The World Bank reform areas

Redefining the role of government in higher education: how realistic is the World Bank's prescription?

Keith Watson

Introduction

The World Bank policy paper on higher education (World Bank 1994) appears at a time of growing frustration on the part of aid agencies at the inability of many less developed countries to develop economically, when it is widely believed that the education sector worldwide is in a state of crisis, largely because of financial shortages and, above all, when neo-liberal economic views are in the ascendancy. There is a reaction against the long held belief that state (i.e. government) intervention is essential for socio-economic development. This dominant view among aid donors since the late 1940s began to be challenged by neo-liberal free marketeers during the late 1970s and 1980s. A turning point in World Bank thinking appeared in the now famous Berg Report (World Bank 1981) and was further developed during the 1980s as a result of documentation on the economic and educational crises of the 1980s in sub-Saharan Africa (World Bank 1988).

The Bank's thinking on higher education has largely been conditioned by these modalities. One of the most pertinent comments on higher education which sets the tone in the document is as follows:

> "In most developing countries ... the extent of government involvement in higher education has far exceeded what is *economically efficient*. The crisis of higher education, particularly in the public sector, is stimulating a change in the extent, objectives and modalities of government intervention in higher education in order to ensure a more *efficient* use of public resources" (World Bank 1994:56; author's emphasis).

As a result of this economic crisis, governments should reassess their priorities. They should use public funding efficiently, cease to control higher education and ensure that higher education institutions, both public and private, meet national training and research needs. The implication is that future Bank lending to higher education will be strongly influenced by how far governments are prepared to decentralise decision-making and to encourage the autonomy of individual institutions.

In the *Higher Education: The Lessons of Experience*, one of the six chapters is devoted to redefining the role of government in higher education whereas the importance of government decisions runs throughout the document. Much of the paper is focused on how to improve financial arrangements, the diversification of provision, greater involvement for the private sector and a reduction of the role of the state - all of which, in many ways, imply greater government direction. As this chapter will seek to show, not only do many governments lack the capacity to undertake some of the changes proposed, but the underlying philosophical assumptions on which they are based are flawed.

The remainder of this chapter will firstly examine the Bank's main proposals for the role of government in higher education. It will then set these into the changed context regarding both higher education and arguments relating to the role of the state, before highlighting the weaknesses and inconsistencies in the Bank's proposals in the light of these arguments. Finally, a few recommendations for the role of government in higher education in the 1990s will be put forward.

The World Bank proposals

Because of changed socio-economic conditions prevailing in many countries - lack of economic growth, escalating costs, unemployment, overblown government bureaucracies, the growth in the private sector, etc. - the Bank argues that governments should exert less direct control of higher education. Instead they should become enablers using the leverage of public funding to influence the shape of higher education systems. Provided that there is investment in basic research and technology and that mechanisms are in place to assist the most economically disadvantaged groups to participate in higher education, should they so wish and have the necessary abilities, the government's role should be based on three principles: (1) the establishment of a coherent policy framework; (2) the use of incentives and other mechanisms to ensure that institutions carry out overall government policy; and (3) the devolution of managerial responsibility to autonomous institutions.

A policy framework.

It is argued that at present there are often different ministries involved in higher education (e.g. education, agriculture, science); that research priorities might be set by bodies with no responsibilities for human resource development; and that there is often no control over the growth of private sector institutions. As a result there is often a lack of any clear, overarching policy framework. There is often resistance to reform either from public servants or from ministries involved in provision of higher education. However, to argue as the Bank does that "Planning higher education development is a systemic management activity to guide long-term development, assess risks and constraints, and seek alternative ways to ensure long-term viability and improve quality" (World Bank 1994:58), would imply far greater government intervention, not less. Nevertheless, the Bank sees a role for a higher education coordinating committee, representing interest groups from both inside and outside higher education. It cites Ghana's National Implementation Committee, Uganda's National Council on Higher Education as well as the UK's Higher Education Funding Councils. However, while these bodies might be independent of a Ministry of Higher Education their role, and that of government direction of them, is tantamount to the same thing. Moreover, what is clearly overlooked is that in many countries the administrative framework and the data gathering facilities are simply not there.

Incentives to implement policies.

Having laid down the guidelines, it is argued that governments could then use the incentives of scholarships and student loans to 'persuade' students to pursue different courses or, by linking funds to specific priority areas, governments could help shape higher education. It is argued that this approach is far more flexible than the traditional manpower planning of previous decades which proved both slow and inaccurate (World Bank 1994:59-60). However, not only is this approach open to abuse - institutions would lay on courses solely to receive funding - but it has proved ineffective in such countries as the United Kingdom and Malaysia. Moreover, to suggest that market forces should reflect student intake and employment opportunities - "Governments should not interfere with market mechanisms or with institutional priorities unless the need for state intervention is compelling or economically justified" (World Bank 1994:61) - seems to contradict the use of loans and incentives. Who is shaping the agenda - government or market forces? If the latter, what guarantee is there that the national economy will not be completely distorted or that inequalities and injustices will not increase?

The issue of quality is also considered to be very important. But rather than having a national auditing body to oversee or monitor standards, the Bank recommends that this responsibility should fall upon individual institutions. "As higher education systems increase in size and complexity, responsibilities for quality assurance are best devolved onto institutional or professional organizations that operate independently of government" (World Bank 1994:62-63). This may succeed with certain professional bodies but as the American experience reveals, standards can range from excellent to very poor. In developing countries especially, the need is to raise standards as much as possible and not to settle for the low or the mediocre.

Increased autonomy.

Increased autonomy for institutions is regarded as "a sine qua non for successful reform" (World Bank 1994:64). Unless individual institutions can have control over raising revenue and expenditure, setting fees and salary scales, recruiting and cutting back on staff, they will never really improve quality or efficiency. The Bank also contrasts the state control model with the state supervision model, arguing that institutional autonomy tied to public accountability for the use of public funds will lead to increased efficiency. How realistic this view is in many LDCs (least developed countries) will be analysed in the third section of this chapter. Before that, it is necessary to examine why the World Bank has come to these conclusions.

The changing context

There are four aspects of the changing context which need to be addressed Firstly, during the period of higher education expansion governments had a vital role to play in establishing manpower needs, the location of institutions, and the priorities to be pursued. Unfortunately, and this is the second aspect, as costs began to escalate governments were faced with real dilemmas: should they cut back the provision of higher education at the risk of alienating the professional and middle classes, or should they expand primary and vocational education? Thirdly, frustrated at the inertia of the traditional university sector many OECD (Organisation for Economic Cooperation and Development) countries, and a number of Asian and Latin American countries, began to experiment by diversifying higher education provision and by encouraging the development of private institutions. Fourthly, far from welcoming this role of government many economists and political scientists began to identify the overburdening state as a major cause of the problems. The solution, they argued, is for the state to withdraw, allowing market forces to prevail. These points will be examined in greater detail in the following paragraphs.

The period of educational expansion

As is well known, the past thirty years or so have seen an unprecedented expansion in higher education throughout the world. Most of the early increases took place in universities and there was only gradually a diversification into different types of institutions. The state, however, had a crucial role to play in establishing priorities for where universities should be established (see, e.g., Watson 1981), the types of courses that should be made available to maximise the manpower needs of either expanding economies or of newly independent states, the sums of money available from the education budget, etc. It was only through higher education expansion that the much needed qualified public servants who could replace expatriates in newly independent countries could be found.

It is worth reminding ourselves of some of the arguments put forward to justify the expansion of publicly-funded higher education during the 1960s and 1970s, especially in developing countries. Perhaps the best summary of the role of the university in developing countries was put forward by the International Association of Universities in 1979:

> "There is broad agreement that universities in developing countries should try to produce manpower not only at the higher level but also at critical sub-degree levels necessary for development; that their research programmes should emphasise not so much the production of new knowledge as the application of existing knowledge to local problems. The substitution of local material in industrial processes and the resolution of other development-oriented local and national problems; and that they should emphasise their responsibilities to offer public service in terms of extension programmes in adult education, community health and delivery of health care, extension services in agriculture, liaison with Ministries of Education and Teacher Training Colleges, engineering and works services, public administration and constitution making and so on. No aspect of the life of the society is excluded" (IAU 1979).

Is this an ideal that is no longer realistic or is it that the economic costs of higher education are leading to a far more utilitarian approach to the role of higher education. If it is still a realistic goal, then there is as much need for state guidance and intervention as there was in the 1960s and 1970s. A variety of higher education models gradually developed over the past thirty years, to such an extent that by the late 1980s a new genre of analysis of comparative higher education had begun to appear (e.g. Altbach 1989; Clark and Neave 1993). Three key unresolved problems have, however, remained which have led to the growing crisis in higher education.

The first is that the dichotomies between elitist, intellectual values and largely vocational ones, and free versus fee-paying higher education have never been adequately resolved. The early universities were largely private and elitist. Their graduates served the state in government, through the law or in the church. Later, throughout many European cities, civic universities were developed using public funding. In some countries, notably France and Thailand, higher education institutions were deliberately operated by the state to provide public servants for different government ministries (Watson 1981). In the post-Second World War period, which saw the beginnings of large-scale government funding for higher education, the concept of free education for the deserving few continued to prevail throughout the world. Indeed, one of the legacies facing the UK and former British colonial dependencies is that the different perceptions of higher education as revealed in the Asquith Commission Report of 1945 and the Ashby Commission Report of 1960 have never been reconciled. As a result entrenched attitudes of those working within higher education have died hard in the face of increasing criticism from those who, hitherto, have provided the funds - governments. It matters little whether we are referring to high-income countries (see Scott 1989) or developing countries (see Coombs 1985; Hinchliffe 1985; World Bank 1988; Husén 1991; Saha 1991).

The second problem is that while claiming to be independent, most universities and polytechnics in developing countries are still influenced by Western nations in so far as they shape the research undertaken, the examination structures in place, and the textbooks used. The ideologies and perspectives as they are interpreted by many LDC universities, whether in Africa, Asia or Latin America, limit many of the ideals outlined earlier and certainly limit the freedom of operation of many independent state governments (Mazrui 1975; Altbach and Kelly 1988; Altbach 1989).

The third unresolved problem is the financial crisis affecting most countries of the world (Watson 1991) which in turn has created a crisis in higher education. This is leading to a number of dilemmas facing governments, not least in developing countries.

The crisis in higher education

Since the early 1980s, higher education in both the developed and the developing world has experienced growing criticism, disenchantment and lack of confidence about higher education investment. This has come about as a result of the financial collapse of a number of developing countries, especially in sub-Saharan Africa. It has been due partly to the growing cost of graduate unemployment, the continuing economic recession, the failure of university teachers to find solutions to global economic problems, and to a belief that higher education, at least in its more traditional, non-vocational forms, has largely been irrelevant to economic growth (Husén 1991). As King (1991) has shown the real critique of higher education failures in developing countries began as a result of the World Bank's analysis of the educational crisis facing sub-Saharan Africa which came about because of increasing demand but declining expenditure (World Bank 1988).

On the basis of this diagnosis the Bank has suggested a reduced role for government, a greater place for the private sector and the copying of successful models from Latin America and Asia (World Bank 1994). But it could equally be argued that only through clearer government guidelines, greater accountability and a serious reassessment of national priorities, rather than allowing market forces to prevail, is there going to be any hope of improvement.

The current concern for the crisis of higher education in developing countries is reflected in the fact that one issue of UNESCO's journal *Prospects* (vol. XXI, no. 2, 1991) was devoted to exploring the problem. In this issue, Husén criticises the elitist, theoretical approach of most Third World universities and stresses that "both in their teaching and their research, universities have to address social and human development in their own regions and countries, but they must also open up the perspectives of their students to problems of a universal nature" (Husén 1991:187). Altbach sees the critical problems as increasing demand but limited access, because of financial constraints, a lack of professional and accountable administration; and a lack of control over the dissemination of knowledge which is filtered from the West (Altbach 1991). Saha is even more damning, arguing that "universities are obstacles rather than agents for economic development" (Saha 1991:251).

Quite clearly, from the Bank's point of view, the major crisis is a financial one. The state should, therefore, allow greater private investment, there should be more private institutions, be greater diversification of provision, and greater financial contributions from users. This would all imply that the state (in the form of governments) should take the back seat in the provision of higher education. The World Bank is urging a review of the role of LDC governments in providing higher education by looking at some of the new developments that are taking place in OECD countries where governments are apparently withdrawing from direct intervention, while at the same time encouraging greater private sector investment. It is, therefore, worth examining briefly some of these developments to ascertain if the state is indeed withdrawing and what lessons can be learnt.

Developments in the OECD countries

Although the 1960s and 1970s saw an unprecedented growth in higher education in the OECD countries with new universities and the expansion of existing ones in order to cope with the considerable expansion in the number of students seeking to enrol in higher education, governments deliberately sought to develop alternative vocationally-oriented institutions - polytechnics, technical colleges, Fachhochshulen, Instituts Universitaires de Technologies, regional colleges, community colleges, etc. As the OECD notes:

> "Their creation often reflected government concern that the university system was not sufficiently responsive to industrial and economic needs. Another of their distinctive functions was to offer educational opportunities to formerly underrepresented groups such as children of blue collar workers, women and ethnic minorities" (OECD 1991:70).

The impact of these more technically/technologically-oriented institutions was to lead to greater flexibility of course provision, often linked with local industrial needs, modularisations of programmes, recognition of local community, regional or employment interests. What, more than anything else, however, made them attractive to governments was their relative cheapness. As a result, the non-university sector has seen a far faster growth throughout the OECD countries than the traditional university.

While in countries like Australia, Germany and the former Soviet Union, we have seen greater diversity, we have also seen greater government involvement in what should be taught and how higher education should be funded. There has been far less concern for pure research, far more for improved teaching, training for employment and the social and professional needs of society. Because of increasing costs and decreasing public funds, staff: student ratios have declined, as have working conditions, time to think and undertake research. In Europe generally, there has been an eagerness on the part of the state to encourage research funding from non-government sources as governments have reduced their financial support (Watson 1992). There has also been a recognition of the need to decentralise decision-making on managerial matters, and to encourage the involvement of non-academic staff in management issues.

Perhaps the most significant development, especially in parts of the industrialised world, has been the growth of the private sector within higher education. The OECD refers to this as 'the third sector' made up of highly prestigious, specialised, privately-funded institutions outside the public sector - colleges specialising in such areas as management training, economics, accounting and information technology. This has even been seen not only as the major challenge to existing patterns of higher education, but as the way forward into the 21st century. Even where wholesale privatisation has not taken place, governments have tended to cut back on their financial commitments and to regard the non-university sector as cheaper and more entrepreneurial because of joint ventures with private businesses or commercial organisations and of science parks or business parks.

Although the government's role has changed in many OECD countries, it seems to have become far more, rather than less, interventionist in the public sector. By controlling the purse strings, by insisting that higher education institutions should become increasingly functional, utilitarian and technical, by demanding greater accountability and managerial efficiency in order that central funds will be released, many governments now see the higher education sector as little more than an arm of the state. As the OECD has commented with reference to the United Kingdom: "There is a danger that the higher education curriculum is becoming a service curriculum, responding to economic and manpower criteria and 'irrelevant', 'liberalising' subjects are consigned to continuing education" (OECD 1991:47). Is this really what higher education is solely about? What about time to reflect upon the considerable moral and ethical issues of our day, not least those thrown up by genetic engineering, medical research and much applied science? These issues have been looked at elsewhere (Niblett 1990; Watson 1992) but they need to be pointed to when considering the changing role of the state.

The Bank's contention that the state should allow the private sector greater involvement and should step back does not seem to be supported by developments in the industrialised world. Here governments increasingly see higher education, if funded from the public purse, as an extension of public policy, supporting particular areas of research, withholding funds from other areas, insisting on improving efficiency, teaching quality and other aspects of quality control as prerequisites for continued support.

Perhaps the major influence on Bank thinking, although it is not spelt out in *Higher Education: The Lessons of Experience*, has been the revised views about the state's role in socio-economic development. One of the main causes of sluggish economic performance has been the perceived overburdening state and the need for market forces to prevail. In order to appreciate how and why such a view has gained in ascendancy, it is necessary to examine some of the conflicting arguments about the state.

Changing perceptions about the state

We are currently witnessing a global process in the North and South, in the East and West, and in both capitalist and socialist planned economies. The contexts may differ, but the common element is the criticism of the role of the state in economic development and the belief that only through greater use of market mechanisms can the world economy begin to grow again. "Current orthodoxies highlight the inadequacies of political solutions and argue for a reduction in the role of the State" (Dearlove and White 1987:1). Economic liberalism and outright privatisation have been central features of the economic debate on both the left and the right in political terms. The belief that governments cannot respond quickly enough to technological change is well illustrated by the privatisation of public utilities in the UK (see, for example, Baker 1993:chapters 3 and 4), but it is compounded in most LDCs where governments are faced by multiple crises of debt, social deterioration, economic decline, and government inefficiency or incompetence.

Two schools of thought have been in contention in the field of socio-economic development for the past thirty years - the 'political development' school and the 'dependency' school. The first gained in ascendancy as a result of the failure of market-led capitalist economies during the 1930s and led to the reconstructionist views of the 1940s and 1950s whereby the state was perceived to play a key role in economic intervention (statism). The second emphasised the dependency between nations and within nations, with the powerful dominating and influencing the weaker elements. It was based on a Marxist critique of class and society but failed to explain the rise of the newly industrialising countries or the return of liberal democracies to countries like India, Brazil, Chile and Argentina. The weaknesses of both approaches were that they analysed development from Western political perspectives, failed to take into account the enormous diversity within the Third World, and failed to recognise the range of flexible solutions pertaining in Africa and Asia (see, for example, Dutkiewiecz and Williams 1987; Kaviraj 1990; Chambers 1992; Samudavanija 1992). Moreover, what all the early theorists and analysts ignored was that governments of the newly independent states would spend so much effort and cash on keeping themselves in power and in ensuring the loyalty of the state apparatus, whether bureaucrats, as in the context of India (Chambers 1992), or the military, as in much of Africa and Latin America (see Dutkiewiecz and Williams 1987).

However, the current economic and debt crisis facing many LDCs has brought about an almost complete reversal in the orthodoxy of state intervention (statism). Far from being accountable to the public, the growth of state bureaucracy is seen as having led to inefficiency and corruption, and bodies like the IMF and the World Bank have "produced overwhelming pressures (on LDC governments) to reduce the role of the state" (Brett 1987) and to reassert the values of free trade, market forces, and the reduction of central controls and direction over the economy and other aspects of society. The beginning of this approach could be noticed in the Berg Report (World Bank 1981). By the late 1970s/early 1980s, there was a strong literature which was highly critical of statist experiments and which extolled the success of liberalising societies.

The main arguments put forward by the neo-liberal/free marketeers are that:

1. Inefficiency and waste will be reduced;

2. The dominant power controls of the government to manipulate and shape society will be removed;

3. In LDCs where once it was argued that strong state controls were necessary to allocate resources to ensure a correct balance of manpower provision, experience has shown that powerful state bureaucracies exacerbate the problems because they introduce waste, delay, incompetence, corruption and, above all, develop a dependency culture amongst their citizens. Instead, exponents of the anti-state view argue, efficiency, elimination of waste and accountability are only possible by decentralising decision-making to local levels, either institutionally or regionally;

4. Although statists argued that central planning would eliminate market inequalities (and even out numbers in university departments), it has now been argued that as a result of corruption and bureaucratic power, there have been even greater inequalities because certain groups or regions have been favoured over others. This has been particularly true in ethnically diverse or federal societies such as Kenya, Malaysia, Nigeria or Pakistan;

5. Individual freedom is likely to be greater if there is freedom of choice.

The exponents of public choice seek to build up the positive aspects of the market and individual freedom by attacking the interventionist role of the government as advocated by statists. But behind the neo-liberal theories of public choice is a laissez-faire view which "is less about the worth of individuals than about the defence of a system of market power that should be left untouched by state intervention" (Dearlove and White 1987:10). In other words, certain powerful institutional groups should remain untouched and unregulated. Thus, the neo-liberals point to the virtues of the market, choice and individual freedom while stressing the political failures of excessive state intervention. However, as Schluter and Lee (1993) argue, neither approach is satisfactory since both lead to the breakdown of communities and families. Moreover, a laissez-faire approach is not applicable in LDCs because they are so closely interdependent with world markets. It is wrong to assume that the economic successes of East Asia only occurred because of laissez-faire free markets. As Harris (1986) shows all the NICs, with the exception of Hong Kong, achieved economic growth because of crucial state intervention. Moreover there are many other factors, in Africa especially, which would imply that economic crises are not a result of excessive state intervention (Dutkiewiecz and Williams 1987). Indeed, Brett concludes that "without adequate political intervention market forces are bound to generate inequalities, dislocation and exploitation which will have devastating effects on the integrity of society as a whole" (Brett 1987:37).

It is simply not possible to make a choice between states and markets. The two are inextricably interlinked. That is why economic and other prescriptions from the World Bank and the IMF which ignore the political realities and different political philosophies of individual countries could be so disastrous in many LDCs. Given the background to the Bank's proposals for higher education, given the weakness of the state in many LDCs, let us examine how realistic some of the Bank proposals for the changing role of government really are. It would seem that there are at least eight basic weaknesses.

Weaknesses of the Bank's proposals

Firstly, the Bank document not only overlooks the subtle nuances between different types of state-federal or unitary, centralised, decentralised, or regionalised government systems - democratic or autocratic - but completely ignores the complex problems of adaptation between traditional forms of government and western models. There is a tendency to treat all governments as if they operated on the same principles. As a result, as with so many Bank reports that are not country or region-specific, there is a tendency to overgeneralise, and to provide only limited supporting evidence for particular arguments, or to make propositions that are not universally applicable. For example, much of the emphasis of the paper is on expanding private provision and differentiating higher education institutions based on examples from Asia and Latin America.

However, this overlooks what every comparativist warns about, that education systems, even higher education systems, are context-specific and when attempts are made to transfer systems and ideas across cultural contexts, there are always problems as the colonial legacy has revealed. While there is a brief acknowledgement of this in the Bank's paper (World Bank 1994:26) and while pointing out that many weak governments have succumbed to demands to expand higher education across the board without the financial wherewithal to meet this expansion (World Bank 1994:24-25), the Bank goes on to say:

> "In no country will achieving these reforms be easy ... Experience demonstrates that breaking this pattern [of public higher education] is essential, and also that the political difficulty of doing so should not be underestimated. In countries with fragile systems of governance, students with grievances - and there will be grievances if subsidies and privileges are reduced - can represent a threat to political stability. Governments, therefore, necessarily tread warily in introducing reforms that affect the most powerful households and those with the potential to destabilize political regimes" (World Bank 1994:26).

What an understatement! Strong political regimes such as Burma (Myanmar), Bangladesh, France, Japan, India, the Philippines and Thailand have either been toppled or severely shaken as a result of student demonstrations. Some countries, notably Egypt, India and Thailand, deliberately chose to expand higher education provision partly as a political act of expediency, but also as an act of policy because they believed in an expanded higher education system. The implication is that unless the state is strong, or repressive, then reforms should be treated with caution.

A second weakness, is related to this latter point. Many governments suffer from inertia. Chambers' (1992) fascinating account of the expansion of state powers in India, for example, argues that Hindu culture, conservatism and corruption help to keep Indian bureaucracy ticking over. As a result there are few incentives to bring about any change.

> "Culture, conservatism and corruption reinforce the top-down tendencies found in other field bureaucracies. Hierarchical culture resonates with normal bureaucratic culture. Conservatism maintains central authority. Corruption presents incentives for rules which inconvenience the public and create leverage for rent seeking officials. There are often cultural, procedural and personal reasons for centralised insensitivity" (Chambers 1992:33).

A third weakness is that, while overlooking the corruption of many state systems, the Bank also ignores the fact that in societies such as India, where corruption is endemic in the system, corruption is likely to be just as great in a privatised system of higher education.

A fourth weakness is that the Bank fails to recognise the influence of external patterns of higher education on developments in developing countries even long after independence (see, for example, Altbach and Selvaratnam 1989).

A fifth weakness, closely linked to the fourth, is that there is no real appreciation of the different models of higher education prevailing in developing countries. Indeed the biggest flaw is that Bank thinking is overwhelmingly influenced by recent trends in Asia and Latin America. Many countries in these regions are based on a North American model of higher education institutions, e.g. Thailand, the Philippines, Taiwan, Japan, Mexico, Chile, Venezuela - and many have also experienced strong industrial and economic growth. However, the assumption that economic growth, as well as university expansion, in the NICs both of East Asia and Latin America came about as a result of market forces, privatisation and choice is a myth. Harris' analysis reveals a very high level of state intervention, without which there would have been no economic take-off (Harris 1986)

Moreover, although the social pressures in a number of Latin American countries for increased efficiency in education has led to a decrease in the role of the state and growing decentralisation and privatisation (Tedesco 1991), the likelihood of this happening in much of the Middle East is questionable. In the Arab world, generally, government central planning in education is part of the political context. How can governments be expected to develop a coordinating role when they cannot even relate the socio-economic development plans to education, especially higher education, effectively now (Al-Baadi 1994)?

The difficulty about generalisations, or as the Bank report describes it, "to capture the commonalities" (World Bank 1994:27), is that the nuances of different higher education models are overlooked. The European tradition has been one of state-funded, selective, closed entry institutions, depending upon passing a qualifying entrance examination (e.g. A level, the baccalaureate, the Abitur), with a strong emphasis on research and academic specialisations. Where technical and vocational courses have been developed, these have usually been in separate polytechnics or similar institutions, often regarded as inferior to the universities. This pattern has largely persisted in those societies colonised by, or influenced by, Britain and France. The Soviet/East European model, exported to countries like Vietnam, Cuba and China, has also been a closed model, firmly under state control, based on manpower requirements and, frequently, on quotas and political acceptance of students. Changes were already taking place in the Soviet Union prior to the disintegration of the Soviet system, but the moves towards a North American model are proving exceedingly painful as they are in China.

Given the number of higher education institutions in North America it is difficult to talk of a model, but certain principles prevail: multi-campus institutions, some highly specialised, some very general; open access and closed access; state/publicly-funded institutions alongside private foundations; modularised degree programmes which allow for multiple re-entry into the system. There are, of course, many countries - e.g. Thailand, Japan and China - which offer a mixture of all these models.

The Bank outlines three broad categories of higher education systems: (1) an undifferentiated public or university-based system; (2) a differentiated public system; and (3) a differentiated public plus private system (World Bank 1994:29; cf. Williams paper in this volument). To some extent this accords with the models previously outlined but because most of sub-Saharan Africa consists of publicly-funded higher education, differentiated or undifferentiated, how easy is it, given current structural adjustment policies and economic stringency, even decline, to bring about reforms along the lines proposed? As has been mentioned, it is understandable to encourage such development in Asia and Latin America where the economies are so much more buoyant and where private, often foreign, investment is so much stronger, but the constraints in Central and Southern Africa need a special consideration.

A sixth weakness is to overlook existing cultural assumptions and to ignore the injustices and inequalities likely to prevail if the private sector gains a very strong foothold. Given political contexts, again largely in Africa but not exclusively so, where the Rector, Principal, President or Vice-Chancellor is a political appointment, where university lecturers are perceived as civil servants subservient to government rules and regulations, it is far from easy to roll back the influence of the state, because of the ingrained cultural and mental mindsets. Why should the private sector be involved in providing such basic equipment as books and science kits, when it is believed that this is a public responsibility?

A further, seventh, weakness is related to the aspects of the crisis affecting sub-Saharan Africa and certain parts of the Middle East and South Asia which concern the breakdown and competence of the administrative infrastructure with too few administrators, principals and inspectors having been trained for their jobs, inter-departmental and inter-Ministry rivalry, and in certain federal societies an administrative confusion between the different political and administràtive levels - federal, state, provincial, district (Dyer 1993). Given this context, how realistic is it to assume that the state, through some kind of regulatory body can oversee student numbers, coordinate courses, regulate entrance qualifications, monitor standards between different institutions, let alone between public and private institutions (World Bank 1994:60-63)? In the present economic, and administrative climate there must be a considerable degree of scepticism.

If the state is over-committed financially to higher education or if the economic returns are low, should this necessarily mean a wholesale backing-off and handing-over to the private sector, as the Bank suggests? Or should there be a reassessment of national educational priorities and greater emphasis placed on improved efficiency, improved cost-benefit analysis and improved institutional management?

The Bank envisages the state as continuing to support basic research and technology development and continuing to support poor students with fees, but insisting on more user fees from the better-off students through loans. Evidence from many countries would suggest that research is low among government priorities and that repayment of loans is exceedingly difficult. The Bank also sees the state as providing a coherent policy framework within which differentiated institutions can operate and ensuring quality control through private accrediting agencies and professional associations. There is, however, a great danger of corruption in this process. The concept of decentralising managerial functions (World Bank 1994:64) is to be welcomed. But if the State is to hold these institutions "accountable for their academic and management performance" (World Bank 1994:10) and if it is to use "the leverage of public funding to stimulate these institutions to meet national training and research needs" (World Bank 1994:56), this would imply even greater state intervention in many countries than has hitherto been the case.

An eighth weakness of the Bank's proposals is the failure to grasp the complexities of political power and decision-making that already exist in many LDCs (Manor 1990) without the prospect of imposing some conventionally conceived blueprint on top of this. Probably more important than anything else, however, is the fact that the political stability of many countries depends upon satisfying the demands of the ruling classes who keep governments in power. In many cases this is through access to higher education. Even if the most prestigious universities are to be privatised, it is highly likely that the governing body will be largely taken from government circles.

These criticisms apart, however, there is no doubt that the Bank's thinking is based on international trends in education and on revisionist views about the government's role in this process. The major weaknesses, however, are that governments cannot rely on a policy of solely letting the market prevail and that the diversity of models and international linkages weaken the freedom of movement for many governments. Moreover, by arguing that developments in Latin America and Asia have come about as a result of laissez-faire market forces ignores the dictatorial intervention on the part of many of these governments. What should, therefore, be the way forward in the 1990s?

The role of the state in higher education in the 1990s: the way forward

Under the International Convenants on Human Rights and Optional Protocol, 1976, the signatories agreed that "higher education shall be made accessible to all ... in particular by the progressive introduction of free education" (UNESCO 1993:2). This idea, badly affected by economic recession, is a far cry from the Bank's proposals but it would imply, in the present conditions and for the foreseeable future, that the government - the state - has an important and continuing role in five areas.

1. Reassessment.
   Governments need critically to reassess the place of higher education and the different types of institutions needed in their particular national situation. They need to reassess how much of the public purse can legitimately be used to subsidise higher education. It may be that there should be an overarching co-

ordinating and policy-making body, not necessarily largely a funding body as the Higher Education Funding Councils in the UK, but one that represents academic, professional, commercial, as well as government interests. However, to establish such a body requires high levels of bureaucratic expertise, access to data and a sense of purpose.

2. Readjustment.
   Governments need to readjust their financial contributions to higher education, e.g. through subsidies, grants, hall fees, etc. There must be realistic fee charging and scholarships for the economically disadvantaged and deserving. It may be that some funds should be diverted to primary education, but the government must maintain a directional and interventionist role.

3. Interventionist policies.
   If the IAU (1979) arguments still stand, and I believe that they do in most LDCs, governments may have to direct students to essential courses (e.g agronomy, engineering, applied sciences). They will certainly have to insist on greater accountability for expenditure of public money. They must have in place mechanisms for overseeing, raising and maintaining quality through staff appraisal, financial incentives and other inducements. Unless there are nationally recognised bodies, however, these will be of little value.

4. Encouragement.
   Governments must encourage the work undertaken by the public sector. They must encourage competition through the private sector (market forces), but also through financial rewards based on efficiency, quality and research productivity. If funding above a basic formula can be linked to performance criteria, governments may find that the returns to investment in higher education will increase considerably.

5. Participation.
   More than anything else, however, for higher education reforms to be valued and accepted, governments themselves need to be able to claim legitimacy and respect. This will only happen if they are prepared to be accountable to the people for policies and financial expenditure. It is unrealistic to expect autonomous institutions to exhibit managerial efficiency and accountability if governments themselves are unwilling to operate on the same criteria. This scenario is only likely to develop as democracy and grass-roots participation in government through elections at different levels begin to extend throughout the developing world. Part of the role of higher education should then be to train citizens for living within a democratic framework.

If the claims made for higher education expansion in the 1960s and 1970s are still valid, then the role of the state in the 1990s will be even more important. It is the mechanisms and criteria for intervention that will differ. On this issue the Bank is certainly correct.

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Diversifying the funding of tertiary institutions: is the Bank's agenda the right one?

Christopher Colclough

The central arguments of the World Bank's 1994 higher education paper (HEP) are concerned with the effective generation and efficient use of resources in tertiary education. This paper focuses upon these arguments, and asks both whether the problems have been correctly identified, and whether the proposed solutions are likely to be adequate to the tasks ahead.

The problems identified by HEP

The diagnosis of the problems facing tertiary education systems in developing countries, which is to be found in HEP, is familiar from earlier publications issued by the Bank, as are many of the proposed solutions which it contains.[1] The basic problems identified by HEP can be summarised as follows:

1. The public sector is financially over-extended: the report begins by observing that "in all countries higher education is heavily dependent on government funding. In an era of widespread fiscal constraints, industrial as well as developing countries are grappling with the challenge of preserving or improving the quality of higher education as education budgets - and particularly expenditures per student - are compressed" (World Bank 1994:2). As to the future, the report sees no change in prospect: "the overwhelming fiscal reality in most developing countries is such that quality improvements and enrolment expansion in higher education will have to be achieved with little or no increase in public expenditures" (World Bank 1994:25).

2. Education systems are under-expanded: many able people are excluded, even where social returns remain strong - particularly at the base of the system, but also at tertiary level. Because of 1), the state cannot be expected to meet the demand.

3. Resources are misallocated: given what is available, too many resources go to tertiary education and not enough to primary schooling. This is not only because primary schooling is more socially profitable (in the broadest sense), but also because tertiary systems are monopolised by the progeny of richer households. Thus, state subsidies at this level are regressive and aggravate inequalities.

The solutions to the above problems which are proposed by HEP comprise a strategy to reduce government direct support to tertiary education, to seek more finance from the private (or personal household) sector, and to oblige educational institutions to respond more to market signals than has typically been the case in the past. The main elements of this strategy are examined in what follows.

Public spending on higher education

The assertion that improvements in the quantity and quality of higher education will need to be made without increasing public expenditures is, at first sight, shocking, given the parlous state of higher education in many countries, particularly in sub-Saharan Africa at the present time. Throughout that region, universities are collapsing owing to resource starvation. The continued denial of additional resources from the state over the medium term is unlikely to provide an early respite to these problems.

This starting premise of HEP, asserting financially over-extended states, is descriptively accurate, but analytically deeply misleading. It is informed by neo-liberal notions of 'appropriate' state size and activity, yet offered as an inescapable constraint, reflecting the present budgetary difficulties experienced by countries undertaking programmes of adjustment. By contrast, it is widely recognised that many countries need to increase considerably their overall expenditures on education - purely from the perspectives of efficiency and economic growth. Whether such expenditures are financed directly from the state or from private sources, or from a mixture of the two, is an issue which can be settled only in the context of country circumstances, and not by reading off from a check-list of liberal reforms. For example, it would be difficult to argue that Pakistan, spending about five per cent of public revenues on education and about 15 per cent on defense, should not increase state spending on education, given the desperately low enrolment ratios in that country, particularly for girls. In many other countries enrolments are low partly because perceived or actual private costs are too high. Policies to enhance such costs even further would be unlikely to result in increased participation in schooling. Moreover, even where public spending, taken as a whole, needs to fall in the short term, it should always be an open question as to whether expenditures on education (and other aspects of human development) should increase, whilst other heads are set to decline.

These problems can be properly tackled only by adopting a less partial approach to the identification of potential reforms. Thus, in principle, increased funding for the tertiary sector could be sought from efficiency reforms within the sector, or from other parts of the education system; from savings made under other heads of the public budget; or from fiscal reforms designed to raise additional public revenues for education. Amongst the range of potential revenue measures are changes to the tax system via reforms to direct or indirect taxation, and/or the introduction of fees for educational services so as to increase the level and proportion of direct costs met by private households. HEP chooses to concentrate most of its attention upon the last of these categories of change: raising more resources from private households, by encouraging the establishment and growth of private institutions and by charging fees in public institutions for tertiary-level study. Although the reasons for the comparative lack of attention given to ways and means of increasing resources for publicly-provided education are not stated, they seem to be informed by a general belief that the state is doing too much, and that its retreat can lead to more equity, effectiveness, efficiency and enhanced capacity at tertiary level. In this sense, the stance taken by HEP on the public sector is not very different from the general critique of public action in other areas of economic and social policy.

However, the idea that states are, in some sense, too large in developing countries, is not supported when they are compared to the importance of state activity in more developed societies (where, proportionately, a larger amount of GNP is represented by the public sector), nor by statistical correlations which indicate little or no association between the size of the public sector (measured by expenditure, employment, or a range of other variables) and economic performance (Ram 1986).

It is true, of course, that the use of resources by the State prevents their use elsewhere in the economy. However, the possibility of crowding out is unlikely in education, except in cases where a private education sector is illegal (as, until recently, in Tanzania, which led to large excess demand for schooling, and to lower investment in education than could or should have been the case (Knight and Sabot 1990)). In cases where parents are not compelled, but nevertheless can choose to use private schools or universities, and can make private contributions to public institutions if they so wish, the possibility of the public sector crowding out private expenditures on education is much less likely to hold.

Fees as a means of reducing the burden on the state

The very idea that increasing public expenditures on higher education will prove to be fiscally unsustainable would itself seem to contradict the possibility of raising significant additional resources for education directly from private households. If the state is in some sense unable to raise more monies from taxation levied on the whole population, what grounds are there for believing that such resources can be raised from the rather smaller numbers of households who are users of the college or university system? After all, fees are simply one particular manifestation of fiscal change - they represent an indirect tax on households who have children, and, in this case, a particularly regressive one.

The response suggested by HEP is that the introduction of charges at tertiary level is desirable precisely because the existing pattern of subsidies to public university students represent "regressive social spending, because students enrolled in higher education in all developing countries are disproportionately from the upper end of the income distribution" (World Bank 1994:20). By implication, then, HEP is arguing both that higher education financing ought to be more progressive than is currently the case, and that the imposition of fees provides an opportunity to achieve this outcome. Here, then, the usual case against the 'fee for service' solution is turned on its head: it becomes, for HEP, the ally, not the enemy of equity. Is this argument correct?

We know that, in most societies, educational attainment is strongly correlated with family background. The main reasons for this are that those from high socio-economic status (SES) families receive more support out of school, and more encouragement to stay in school longer than those from lower SES families. Accordingly, in most countries where promotion through the school system is determined on the basis of prior academic achievement, tertiary education is more strongly populated by high SES children than their proportional importance in the population. It follows that tertiary education subsidies are disproportionately captured by the rich. Whether the impact of this pattern of subsidisation is regressive, however, depends upon the ways in which these subsidies have themselves been financed: if it were the income group from which the beneficiaries are drawn (or even richer groups) who provide the main funds for tertiary expenditures via the tax system, the net impact of this particular combination of tax and subsidy policies would still be either neutral or progressive.

Although there are no comparative data available to test this, Table 1 summarises the income profiles of those who received educational subsidies, in a sample of countries where data are available. The table confirms the fact that higher income groups in these countries received a larger share of tertiary subsidies than their proportional importance in the population. Thus, abstracting from the issue of who paid for the subsidies, the rich appeared to have received more than their 'fair' share in these cases.

But the table also shows that, taking all educational subsidies together, the poorer sections received more than their proportionate share in the population, whilst the rich received slightly less. Thus, in these countries, the distribution of educational expenditure as a whole was, in fact, mildly progressive, notwithstanding the rather different picture suggested by considering tertiary level alone.

It is, of course, true by definition that the imposition of fees for higher education in many countries would result in some of the richer families in the community paying more for services than they receive. But whether or not this is desirable depends upon whether there are alternative, and more efficient ways to achieve this via the tax system. Furthermore, an unfortunate corollary of HEP's proposals is that any increase in private costs at tertiary level would further discourage the poor from participation, thereby strengthening the present unequal access to its benefits. Several conclusions suggest themselves: whether or not public spending on tertiary education is too great from an equity standpoint depends, firstly, upon the progressivity with which public revenues in general are raised, secondly, upon the incidence of total educational subsidies across all

Table 1: *Recipients of education subsidies*

		Percentage of government subsidy received by income group		
Country and sector	Year of survey	Lower 40 per cent	Middle 40 per cent	Upper 20 per cent
All education				
Argentina	1983	48	35	17
Chile	1983	48	34	17
Colombia	1974	40	39	21
Costa Rica	1983	42	38	20
Dominican	1976-77	43	43	14
Republic	1983	52	34	14
Uruguay	1978	46	25[a]	29[b]
Indonesia	1974	41	41	18
Malaysia				
Higher education				
Argentina	1983	17	45	38
Chile	1983	12	34	54
Colombia	1974	6	35	60
Costa Rica	1983	17	41	42
Dominican	1976-77	2	22	76
Republic	1980	14	52	34
Uruguay	1978	7	10[a]	83[b]
Indonesia	1974	10	38	51
Malaysia				

Notes: [a] These figures are for the middle 30 per cent.
[b] These figures are for the upper 30 per cent.

Source: *Jimenez* 1989:114.

income groups and, thirdly, upon the extent to which reducing tertiary subsidies would exclude the poor from participation in tertiary education even more thoroughly than happens at present.

These complex issues cannot be explored further here, for reasons of space. However it should be noted that one further defense of user charges (made not in HEP, but in other Bank documentation) is precisely that tax systems in developing countries are in fact typically regressive and, thus, increasing taxation would merely serve to redistribute income further away from the poor. Whilst this is often true, the conclusion ignores the possibility of introducing reforms which shift the incidence of taxation in a more progressive direction. In general, it is better to tackle regressivity via tax reform unless targeting and means-testing can be expected to be highly accurate. Chile, amongst other countries, demonstrates that such is possible (Schkolnik 1992). It follows that, provided that public revenues for education are raised in progressive ways, the net impact of education financing and spending can be highly progressive - even where tertiary expenditures, taken alone, are not.

Two further sets of considerations underpin HEP's proposals on user charges at tertiary level. The first of these is the assertion that private returns to tertiary education remain high. However, in many countries this is no longer true. The Psacharopoulos data, from which most of these generalisations are drawn, were mainly compiled from studies completed in the 1970s and early 1980s. Since then, the salary structures in many countries - particularly the poorest or where the adjustment burden has been greatest - have changed dramatically. By consequence, the private rates of return to tertiary study have been much reduced over intervening years. The impact of user charges on enrolments, in such circumstances, is - to say the least - uncertain. (For evidence on this point, see Colclough 1991; Bennell 1994).

Finally, it is often argued that introducing fees for higher education (and other levels) provides a potent means of increasing the efficiency with which facilities and courses are utilised. The argument is that students would then be much more aware of the costs of their attending, and would be both more diligent in their studies, and more demanding of their tutors. Cost-effectiveness would thus be likely to rise. Whilst this argument is plausible, it should be recalled that private costs of tertiary study are already high owing to the incidence of opportunity costs: students are very aware of the earnings which they sacrifice by not being in the labour market. Furthermore, opportunity costs are, for most students, three or four-fold higher than the additional direct costs which they would be asked to meet - under most schemes - if fees were to be introduced. It remains true that any increase in direct costs may well further improve efficiency. But their impact is likely to be marginal where opportunity costs are already high.

Loans as a means of reducing equity costs

HEP recognises that a major problem associated with the introduction of user charges at tertiary level is that not all parents of potential students would be able to pay. Although, by implication, those so affected would initially represent a small proportion of families, potential students from poorer backgrounds would grow substantially as educational resources were spread more equally. There is ambivalence in the report about what should be done about this. Scholarships are mentioned in passing, but since, "in every developing country students attending higher education represent an elite group with income-earning potential significantly higher than that of their peers, it is appropriate that the major form of student financial assistance offered be government-guaranteed student loans rather than grants" (World Bank 1994:50).

Ultimately, then, it is believed that equity will be adequately handled by the introduction of loans schemes. There are arguments in favour of loans which are implicit: equity is improved in comparison with the use only of fees, both because the children of poorer parents would be able to attend, and also because the future income of students rather than present income of parents would finance current expenditures, thereby generating dynamic rather than merely static benefits for income distribution. Equally, loans are pro-efficiency: students are believed to work harder when they are financing their studies themselves. Moreover, the demand for tertiary places would ultimately more closely reflect opportunity costs: excess demand for places would be reduced, and eventually eliminated, as a result of the equilibration of perceived private benefits and costs (at interest rates equal to the social opportunity cost of investible resources). These kinds of argument have been made in other Bank documents and, though not restated here, we can assume they underpin the confidence expressed in loans as an effective instrument for cost-recovery.

Although the above arguments appear, at first sight, strong, there are a range of problems associated with loans schemes which are severe enough to challenge the confidence with which they are advocated by HEP as a universal solution. First, as regards equity, it is by no means clear that they would facilitate an improvement in the present unequal access to higher education in developing countries. Although they are more pro-equity than user charges, they are obviously less so than existing subsidies, since both perceived and actual costs would rise with their introduction. Where the poor are more risk-averse than the rich, to the extent that the poor were presently excluded, loans would merely confirm their continued exclusion.

In addition, it is well known that loans schemes have weaknesses from the point of view of revenue generation. Evaluations of experience in a large number of countries reveal that loans schemes very seldom become self-financing owing to high start-up and running costs, high default rates and unemployment or voluntary non-participation of graduates in the labour-force (Woodhall 1983). Equally, loans schemes do not provide an easy or quick source of financial savings to government, owing to the length of time necessary for repayments to build up. It has been shown elsewhere that, on standard terms it would take 14 years for a government to recover 50 per cent of the costs of the first crop of student loans, assuming all graduates get jobs, and none default (Colclough 1990). Thus loans are not a solution to the fiscal crisis facing governments, and it is highly misleading to suggest that this could be otherwise. Some of these points are acknowledged in passing by HEP. But its proposed solutions proceed as though they were of little consequence.

Other sources of financial diversification and efficiency savings

The report argues that traditional funding sources for higher education need to be diversified: alumni should be tapped and private donations should be sought; income-generating activities should be pursued by tertiary institutions. Moreover, efficiency should be improved mainly by changing the financial instruments used to determine the funding of tertiary institutions. As regards the latter, it is argued that block-funding should be replaced by input- or output-based funding formulae. The main idea underlying these approaches is to make institutions respond to performance incentives - i.e., to create more of a market-place in higher education, as a means of improving the efficiency of the service.

Finally, the report believes that private institutions of higher education need to be encouraged, in order to allow opportunities for tertiary study to increase, at lower net costs to the state. It is argued that private institutions can respond more efficiently and flexibly to changing market demands for educated labour of various kinds, than those which are publicly financed.

Many of these proposals are useful, as a means of responding to financial stringency. For example, the introduction of incentives to improve productivity and create efficiency savings in publicly financed institutions is widely practised in northern countries, and has rapidly become part of the orthodoxy governing management practice in the public sector. Equally, allowing private organisations to develop alongside those in the public sector is a sensible response to excess demand, provided that teaching and certification standards can be regulated. However, the diversification of funding to include donations from alumni and private sector sources is unlikely to be a promising strategy in the poorest countries where private profitability has been squeezed enormously in recent years, and where the earnings of alumni have fallen sharply under adjustment. By the same token, it is not much help in sub-Saharan Africa to advocate that more income-earning opportunities should be exploited by tertiary institutions: the present problems faced by universities throughout the sub-continent are partly caused by the fact that their staff are frequently absent, spending much of their time on consultancy work rather than teaching, as a means to enhance their incomes.

Conclusions: omissions and alternatives

In concluding this brief comment on HEP, it may be useful to summarise the areas where much fuller analysis of opportunities to reform the financing of the tertiary sector might have proved helpful. First, and most important, HEP's discussion of ways and means of raising additional financial resources for tertiary education is extremely partial. The most serious omission concerns the general tax system. It is assumed that this is a non-starter as a source of additional funds. Yet, if in some sense these societies are over-taxed, the shift to indirect taxation implied by the advocacy of user charges needs fuller and more careful justification than is given, together with a somewhat better treatment of its regressive consequences.

Given the problems with loans schemes mentioned above, the report does not satisfactorily resolve the equity, efficiency and financing problems which are well known to attend their use. They can be helpful in some country circumstances but they provide no panacea, and rarely represent a solution to the fiscal problems facing governments. Graduate taxes are briefly discussed, but are then discarded on grounds of an inability to implement them in poor countries where tax systems are unsophisticated. There is no discussion of graduate payroll taxes which have promising characteristics.

Equally, the report contains no discussion of expenditure priorities within government, nor of the pressing need to restructure expenditures away from some heads, e.g. defense, towards human development sectors.

The discussion of the potential for efficiency savings at tertiary level is weak. There is little or no discussion of the size or range of such savings potentially available, nor of the key variables to target. Although the relative significance of reductions in rates of repetition and drop-out, increases in class size, in pupil/teacher ratios, in the frequency of class meetings and teaching load, and of rationalisation of subject choices available varies between both countries and institutions, these remain crucially important variables if the relative costs of tertiary education are to be reduced. In many countries they will need to be directly targeted, separately from those changes facilitated by the reforms to financial allocation criteria proposed in the report.

There is very little acknowledgment in the report of the diversity of country circumstances. Small countries (in terms of population or income) face very different constraints in increasing the proportion of private finance to tertiary level than bigger or richer countries. In some, social returns to increased expenditures at tertiary level are high, in others not so.

Finally, the main point made here is not that fees should not rise, nor that their mitigation by loans/scholarships should not continue to be tried; nor is it the case that attempts to improve efficiency by introducing performance-related funding mechanisms are misplaced. Rather, the problem is that it is misleading to argue that this particular group of reforms, taken together, could comprise an effective solution to the problems facing higher education in the developing world. They will, or could be, part of the solution in some countries. But the confidence with which they are advocated by HEP as the universal solution is seriously misplaced.

Note

1. See, for example, World Bank 1986. The financing strategy propounded in HEP differs from this earlier document more in matters of detail than of major substance.

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Institutional diversification of higher education

Peter Williams

In its 1994 paper, *Higher Education: The Lessons of Experience*, the World Bank puts forward institutional differentiation in higher education as a key strategy for meeting the growing social demand for higher education and making higher education more responsive to the labour market. By increased differentiation it means, primarily, the development of non-university institutions and the growth of private institutions. It does not in this context refer to institutional differentiation of universities, preferring to think of these as "the traditional model of the European research university, with its one-tier programme structure" (World Bank 1994:28), a model the Bank dismisses as expensive and inappropriate. In reality, of course, universities in developing countries themselves represent a highly differentiated set of institutions, changing a good deal more rapidly than the Bank cares to admit. It is rather typical of this 'double-think' that the discussion of the public distance education universities in India, Korea, Pakistan and Thailand - much appreciated by the Bank because they admit a lot of students cheaply - comes in the middle of a passage on non-university institutions, and the tabulation of their cost data is placed in the middle of a text on the private sector.

Anyone charged with making generalisations about higher education structures worldwide deserves nothing but sympathy. Even when analysis is confined to universities alone, there is a bewildering variety of institutions and systems. Universities include those with 50,000 or more students and others with a student enrolment of less than a thousand; institutions whose enrolment is purely full-time and those with many part-time students; those specialising in a single discipline or field, e.g. agriculture or medicine, and ones which are fully comprehensive in their range of studies; those confined to undergraduate or postgraduate level and others spanning the entire range from non-degree certificate studies to doctoral and post-doctoral work; conventional and distance-education universities; unitary universities and those with associated or affiliated colleges; public and private, national and state, secular and religious universities. Among national university systems there is also considerable diversity - Commonwealth developing countries, for example, include situations ranging from India with around 160 universities and Nigeria with more than 30; through countries with four or five universities like Kenya, Ghana and Malaysia; to single-university systems, for example Guyana, Mauritius and Swaziland; to multi-country regional institutions such as the University of the West Indies and the University of the South Pacific; and finally those few countries like the Gambia, Seychelles and Maldives which have neither a university of their own, nor a stake in any regional one.

How very much more complex is the task of analysis when its frame "uses a generic definition of higher education that encompasses all formal post-secondary institutions that train middle- and high-level professional personnel in degree, diploma, and certificate-granting programs. The terms higher education, tertiary education, and post-secondary education are used interchangeably in this document" (World Bank 1994:Preface, p.ix). Higher education is then interpreted as including commercial colleges and technical institutes, teacher training institutions, colleges of nursing, agricultural colleges, theological colleges and the like.

One has no intellectual quarrel with such a catholic definition but there is no gainsaying that it necessitates a very much broader enquiry, and a far deeper knowledge of the institutional infrastructure of different countries, than when the range of provision can be checked by a quick scan of volumes like the Commonwealth Universities Yearbook. Non-university post-secondary institutions are not generally linked through associations in the same way as are universities: the Commonwealth Association of Polytechnics in Africa and the Association of Caribbean Tertiary Institutions are two exceptions

The Bank's categories: do they stand up?

This challenge has not deterred the authors of the Bank paper, in the section on 'differentiating institutional missions' (World Bank 1994:29, 30), from attempting an ambitious classification of the world's higher education systems into three categories. These are (1) an undifferentiated public or 'university-based' system which consists only of public universities; (2) a 'differentiated public' system, which consists only of public institutions but includes a significant number of non-university tertiary institutions as well as universities; and (3) a 'differentiated public plus private' system, which has both public and private institutions. It reckons that in low-income countries the distribution between the three categories would be 61:26:13; that in middle-income countries it would be something like 43:42:15; and in upper-middle-income countries 15:54:31 (World Bank 1994:29, 30, Fig 2.1).

Actually, given the broad definition of higher education referred to above, it is difficult to think of systems that represent category 1, 'an undifferentiated public or university-based system which consists only of public universities'. Moreover, although it is stated (World Bank 1994:30) that in Africa "most higher education systems consist predominantly of public universities", it is doubtful whether there is a single Commonwealth African country (out of 19) where university institutions outnumber other higher education institutions as defined by the paper, and in several of them the size of non-university student enrolments exceeds numbers in universities. These points were drawn to the attention of the Bank at draft stage, and since it has chosen not to alter the substance of its claim about the existing profile of education in the developing world, it would do a public service by stating which countries fall into each of the three categories it has identified, showing the number of universities and non-university higher education institutions in each. If one is to have confidence in the rest of the Bank's analysis, one needs at the outset to feel comfortable that its basic premises are correct.

If the Bank's statement about Africa can indeed be substantiated, and if it is also true that 61% of low-income countries, 43% of middle-income countries and 15% of upper-middle income countries have these 'pure' university systems, then it would be illuminating to have the data cross-tabulated by certain country characteristics. Does a particular group of countries have nothing but public universities? Are these category 1 systems predominantly small-country systems? What legal and constitutional regimes are associated with the exclusive presence of public universities in higher education? Are these clustered in particular regions?

The paper's claims about the prevalence of category 1 institutions are all the more surprising in view of the finding that "during the last two decades enrolments in non-university institutions, both public and private, have grown faster than in traditional universities" (World Bank 1994:31). Specialist readers of the paper will want access to the statistical underpinning for this assertion so as better to understand the underlying factors. Is the Bank confident that baseline data for non-university institutions in 1970 is robust enough to make comparison with 1990 data valid, or may some bias have crept into the figures due to more complete reporting of non-university tertiary education in later years? Is there some special significance in the comparison with 'traditional universities'? Does this mean that open universities, and possibly part-time students, are excluded from the calculations? Where non-university institutions have been upgraded to university status between 1970 and 1990, resulting in a sudden enormous accretion to a country's university sector, are their enrolments excluded from the university tally in 1990 on the grounds that these are not 'traditional' universities?

Institutional upgrading and academic drift

This last trend has a significance far greater than the merely statistical: it raises issues of how higher education development takes place and whether one should prefer the formation of universities as new institutions over the development of universities out of colleges and polytechnics. The Bank study implies that the pattern of development which gave university status to Makerere or Ahmadu Bello (or indeed the recent conferment of university status on British polytechnics) represents an aberration and is somehow an unnatural evolution. But is that so in a historical perspective? Is the creation of Moi University as a 'new' university in Kenya a more 'natural' development than what happened in the case of Nairobi, Kenyatta and Egerton which all reached university status through the upgrading of more vocationally oriented pre-existing colleges? This is not simply a positive question of how universities in fact come into being: there are strong normative undertones to the argument too, insofar as the Bank implies that institutional upgrading is tantamount to 'academic drift'. Thus "there have been numerous instances of non-university institutions being diverted from their original academic mission and being upgraded gradually to full-fledged universities, thus defeating the purpose of providing alternative educational opportunities" (World Bank 1994:33). But this, at the stroke of a pen, consigns to ignominy a very large number of the most distinguished universities in the western world!

Whilst many would agree that there is a place in every system for post-secondary institutions which concentrate on training and on the development of particular skills, it is flying in the face of trends in the labour market to suggest that, as knowledge broadens and deepens, the institutions that are delivering courses of education and training at diploma or certificate level should be prevented from upgrading their programmes. As school teaching, for example, evolves from a certificated to a graduate profession, should teachers colleges 'pack their bags' and go out of business? Should they not rather begin to offer degree programmes, perhaps under affiliation arrangements with the local university at first, and later become either schools of the university or else evolve themselves into university-level institutions with a strong education component? If, as seems probable, the Diploma Disease is not going to be halted in its tracks, one has to assume that the qualification-suppliers, as well as the qualifications, are liable to acquire a university label.

The paper could usefully pay more attention to the process of institutional development and upgrading because this is one of the issues that preoccupy education ministries in many developing countries today. Their policy-makers have taken on board the message, persuasively argued in this paper and elsewhere by the Bank and by others, that university development is expensive. Rather than create new universities out of the blue, a course which continues to appeal to those who can afford it, they therefore increasingly explore avenues to the gradual development through upgrading of existing institutions, using the strength of well-established universities in their country as a shield and support for fledgling colleges. Issues of adopting 'university college' status, of affiliation and association with universities, accreditation and validation, arrangements for external examiners, all attract a good deal of attention and interest. One hopes the reference to 'academic drift' does not presage a hardline attitude by the Bank to experimentation with these options. It is completely typical of the spirit of this document that the citation (World Bank 1994:70) on 'accreditation of teacher training institutions' is in the context not of institutional support, but of 'independent assessments to measure output quality'.

The triple thrust toward diversification

The World Bank's interest in diversification of higher education systems appears to be driven by the three main considerations set out below:

Cost containment

The first is financial, in terms of lower programme costs. The report is quite explicit about this. To the extent that cheaper courses could be substituted for more expensive ones, higher education could be expanded without commensurate cost to the public purse. "The principal advantages of such institutions include lower program costs, which reflect shorter courses, lower dropout rates, and lower per student annual expenditures" (World Bank 1994:31).

It is of course generally true that costs rise in successive stages and sub-stages of education systems because of higher salaries of teaching staff, more sophisticated and expensive equipment, greater specialisation often resulting in smaller teaching groups, a greater need for residential provision in order that viable teaching groups can be formed in specialised subjects etc. If that was all there was to it, there would be undiluted pressure from the education planners and administrators to convert the education system into a structure with strongly demarcated layers representing relatively short sub-cycles of perhaps two or three years each. In this way one could resist the tendency to standardise at the level of the dearest inputs. In secondary schools, instead of having a six-year all-through school staffed entirely by graduates, the school could be layered into a junior secondary section of grades 1 to 3 taught by diplomates at 40 students per class; while graduate teachers, who may be 50% more expensive to employ, would be restricted to teach the grades 4 to 6 students in smaller classes of say 30. At salaries of US$1,000 per annum for diploma teachers, 360 pupils in grades 1 to 3 could be taught for US$9,000 (9 x US$1,000) in salary costs, just half the amount of US$18,000 (12 x US$1,500) required for the same number of pupils in grades 4 to 6. The saving is obvious.

Can the same principle be applied to higher education, by introducing a structure containing successive two-year sub-cycles with strongly differentiated levels and costs of provision? A number of factors militate against it. In medium- and small-size higher education systems there is pressure to achieve economies of scale at institutional level through vertical integration, deliberately associating the different stages/cycles in one institution. For example, if specialised teaching staff can be spread across successive levels - in schools across sixth forms and the 'O' level classes, or in higher colleges across certificate, diploma and degree programmes - this may make possible more intensive use (more economical teaching loads) of teachers and enable them to be more specialised, and more subject options to be offered. It may provide better teaching for junior students by exposing them to the best and most distinguished professors, and this is often welcome not only to students but to the faculty themselves. Moreover, the all-through institution with a narrow top layer added may make it easier for advanced students to study locally instead of having to board at a central site: but here the argument cuts both ways, for learners may thereby forgo the benefits of study in a more specialised setting. The debate is familiar enough in English education where the pros of specialisation in tertiary colleges have to be set against the benefits to secondary schools of having sixth forms, albeit small ones, within them: just as in universities the arguments rage as to whether every university should have graduate students, even if only a handful; or whether alternatively fewer but larger graduate schools should be encouraged.

There is no 'right' answer. The viability of a solution which provides small localised feeder institutions at the lower tier, sending students on to a central upper-tier institution, is likely to depend on the size of student populations in any particular region, country or locality; and on local politics. Where students can attend the first two years of a four-year higher education course locally, with the best ones continuing for years 3 and 4 in a central institution, that may have much to commend it. This is increasingly becoming the pattern in some of the East Caribbean states in relation to the three campuses of the University of the West Indies in Barbados, Jamaica and Trinidad. It may make less sense, however, if students need boarding accommodation at both lower and upper tiers: then the discontinuities of short two-year cycles, which can have an unsettling effect on students, may outweigh the savings from instituting a potentially cheaper lower tier.

Much of this discussion is posited on the assumption that where there is a single institution, then levels of academic provision, student support services and staff salaries will gravitate to the level that has to be provided for the most senior students and highest qualified teachers; that institutional differentiation is necessary because differentiation within institutions is difficult, and causes ill-feeling. Nevertheless, just as in the two-tiered secondary school model outlined above, two-tiered institutions of higher education are not unknown, especially in systems with affiliation arrangements or ones linking institutions in a federal structure. In the University of Malawi, for example, there is differentiation within the institution between students and teachers on degree programmes and others: it has been possible to avoid educating all students at 'university' levels of outlay.

The point does not need labouring. Suffice it to say that the calculus of per student cost cannot always be decisive and automatically dictate two- or three-tier structures. The demography of student numbers and population densities, very real academic considerations, and political factors may all on occasion justify single-tier organisations.

Different institutional missions

The second argument for diversification stems from the idea of different missions of institutions. This will command wide assent insofar as those programmes which are highly specialised in their orientation, and whose content is closest to actual applications in the labour market, involving substantial elements of training on the job, often flourish best in dedicated institutions. Diversity of institutional profiles - in terms of subject emphasis and strengths, research/teaching differentiation, or mode of course delivery (distance course offerings, continuing education etc.) - seems desirable wherever the scale of the higher education and training system permits.

In smaller countries, of course, scale often does not permit, and a multi-lateral institution is a necessity. Elsewhere, too, commonalities between programmes at the same level should be respected. Students in related disciplines benefit from studying together, and in basic sciences, for example, there is little sense in a whole series of neighbouring institutions 'doing their own thing' separately for teachers, nurses, extension workers etc. The trend away from long courses in specialised separate institutions is welcome.

The private sector

The third impetus towards differentiation is provided by the Bank's known predilection for the private sector. Its advocacy of differentiation is in part a matter of encouraging private initiative. Much of what it says about this is sensible and often commendably cautious, but one is left in perplexity about the completeness of the picture presented. Is it really the case that 60% of higher education student enrolments in India are in the private sector as Figure 2.2 indicates? (Cf. Tilak's paper in this volume). Is the private sector in most countries 'private' not only in the sense of private ownership, but of private financing too? What proportion of budgets in 'private' institutions are in fact being met by government? Would not Figure 2.2 showing the share of enrolment in private higher education in different countries turn out to be totally misleading if countries with a high share were having a large proportion of their students funded from the public purse? Significantly, there is a footnote to Figure 2.2 stating that "In the few Western European countries which have a high proportion of enrolments to private institutions (for example Belgium and the Netherlands), higher education continues to be almost entirely financed by the state which subsidizes both public and private higher education institutions" (World Bank 1994:35). How many other countries shown in Figure 2.2 are in a similar position to Belgium and the Netherlands which both appear in it? And what is the breakdown of 'the private sector' in different countries between religious bodies, local communities, private philanthropic foundations, or private companies and individuals running institutions for profit? These are surely very different species of animal, as the Bank itself admits.

Without a deeper and more transparent analysis than the Bank provides, the suspicion in many minds will be that ideological inclination has taken precedence over objectivity on the subject of private higher education. This would perhaps be unfair as a generalised criticism of the paper and the Bank's detractors should study carefully the guarded language that is used in many places. If the Bank is serious about wanting to advance the cause of private provision, however, it could usefully and constructively engage in cooperation with its member countries in drawing up codes of practice and checklists of safeguards for operating and regulating the private sector of higher education. It could also show more recognition of the concerns about national unity and common citizenship which underlie some of the reluctance of governments in developing countries to encourage a sectionalised and sectarian higher education system: a reluctance which is deepened by the growing involvement of international religious organisations in sponsoring private universities in some developing countries.

Conclusions

I have set out some misgivings about whether the Bank's categorisation of higher education systems is correct and whether it is not in a sense rewriting history in its version of events which suggests that conventional universities invariably come fully formed into this world. I have pointed out that many universities developed out of non-university institutions. The key challenge today is not to differentiate sharply the two systems, but to create links and blur distinctions between them.

The Bank itself lays stress (World Bank 1994:56-59) on establishing a coherent policy framework and system-wide planning for higher education, but is reluctant to think through the logical implications of this in terms of even-handed treatment of teachers at the same level in different segments of higher education, of harmonisation of conditions for students, and of meeting aspirations of learners for transferability and progression. The great attraction to students of general academic streams, whether in school or university, always has been the opportunity and mobility that stems from enrolment in them. It seems quite doubtful whether, in countries with rather stagnant economies and wide differentiation of salaries by education qualification, the aspirations of institutions and students for the university label can easily be withstood. It might be wiser to recognise these aspirations as legitimate rather than to denigrate such developments as 'academic drift'. The task is to work out routes and procedures for institutions and individuals to upgrade themselves through real qualitative achievement, and to create flexible and well-articulated higher education systems capable of responding to future change.

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Responding to ambiguity: a critique of the World Bank's analysis of quality assurance, responsiveness and equity

H.R. Kells

As with the remainder of the Bank's paper on higher education, the most appropriate title for this chapter could also be 'The World Bank's New Clothes'. The overriding impression one gets is that the quite extensive list of recommended best practices and truisms about the characteristics and common approaches of good universities and other higher education institutions - the newly adopted favourite mechanisms - do not result, in the end, in any substantial difference in the overall posture of the Bank towards assistance to the higher education sector. The conclusions stated in the chapter on quality, responsiveness and equity, that is the implications for the Bank, do not seem to follow logically from the evidence and constituent recommendations put forth extensively in the paper.

In overview, what the chapter says is that a generally logical and appropriate set of higher education practices and desired characteristics, about half of which require major financial investments (upgraded salaries, enhanced libraries, other infrastructural elements), will not be the target of the Bank's investments. Rather a familiar group of ideologically-based responses are paramount: user fees; links with the private sector; efficiency through various attempts at sharing and regionalisation. Not that the latter ideas are unwise. They do make sense in particular circumstances. But rather that a mixture of such measures (and others) *and* investments in infrastructure will be needed, some of which should be financed by the Bank. Similarly, to ignore higher education almost totally in the Bank's overall plans in favour of total focus on needed investments in the lower schools is unwise. This ignores the time needed to build the faculties and facilities of quality which will be needed to respond to the increased and enhanced flow of students coming out of the then improved base of the system. There is a low tolerance for ambiguity in the Bank's policy. While it feels it has a wonderful new idea for a wardrobe, it buys from only one designer and uses only one type of cloth.

In examining this set of questions in more detail, this observer will focus first on the issues of responsiveness to national and community enterprise needs and on equity in higher education. The major part of this critique will then be devoted to the issue of quality assurance: the patterns developing internationally; basic and more preferable approaches at the macro and micro levels; and what could be and is being attempted in this regard in some developing countries. Finally, some thoughts on what the Bank *can* do to respond to the real needs in this complex environment will be presented.

Responsiveness

In the view of the policy influencers at the World Bank, fairly high priority must be given by the institutions and systems of institutions in developing countries to the matter of responding in various ways to the changing needs of the economies of these nations, to the engines which provide the financial support for institutional budgets either through direct subsidy or through fees paid by students and other clients. This is, of course, a reasonable expectation. Indeed, to many thinkers, the university-trained labour force becomes an engine which can help significantly to propel the transformation of the economies of developing countries. The Bank's advice is for the universities to consider various steps: focus on technological studies; take advice from industry; use incentives to stimulate industry-university collaboration; strengthen and concentrate post-graduate training and basic research; offer fellowship support to attract able students; stimulate competition and be selective; and assure continuity by publishing in international journals.

Would that the world were that simple and that the realities of university-industry cooperation and related post-graduate study and research would respond significantly to such suggestions without substantial up-front investment in staff, academic infrastructure (libraries, equipment and laboratories), incentives for the qualified people and training of an adequate cadre of additional professionals with state-of-the-art knowledge and skills. The fact remains that the conditions necessary for significant university-industry collaboration and for significant post-graduate training and technological research developments - targeted, selected, and collaborative attempts not withstanding - in places like Africa are not present. Brain drain has devastated the region's academic talent and the infrastructure has deteriorated to the point where up-to-date collaboration with any available local or multi-national industry is bound to be minimal.

It is here that the simplistic, one-size-fits-all Bank policy of shifting away from basic investment in higher education staff and infrastructure development begins to unravel. In order to pursue the Bank's recommendations about responsiveness, with some but very few exceptions, developing countries must have assistance in the approved packages from the Bank for both new and retrained staff, academic infrastructure and some investment in the establishment of some of the Bank-recommended programmes which are selected. The universities I have examined in the countries of primary interest (not the middle income, relatively affluent examples often referred to in the Bank's report) have vastly overcommitted staffs and minimal budgets, depleted talent and infrastructure and a lack of experience in some of these matters. Investment in providing a base of expertise and support for the staff and programmes suggested will be necessary in order to see much response at all from the items the Bank suggests. And, this must be done in some appropriate (locally guided) mixture with the much needed investments in basic and other lower school efforts which the Bank has correctly determined to be the basic focus for its support over the longer term for these countries.

Equity

Of the three issues which are being discussed in this paper, the matters pointed to and suggested by the Bank on the topic of equity seem to make the most sense. While the recommendations and the analysis of experiments in various countries to increase equity, including gender-related concerns, in student participation may be criticised as being unduly cautious and even inappropriate ('low rates of return' and 'increased failure rates' - as if such things were not to be expected), these matters, dealing centrally as they do with human characteristics and responses, are extremely complicated. One must be careful not to reject experiments as failures because costs are high and success rates disproportionately low. They must be judged according to their goals and the relative importance socially and educationally and as vital early stage investments.

In overall terms, the Bank seems in this area to be rightfully holding back from prescriptions and focusing on the long term solutions of working on preparation and stimulation of demand in the groups of interest through activities with the feeder institutions and pathways of awareness. At the same time the Bank seems to acknowledge that, subject to local conditions, institutions and systems probably will also have to take short-term measures through manipulating the procedures and incentives pertaining to student and staff participation from previously excluded groups to the extent that the political conditions and historical and economic contexts will permit. One must stress, however, that success rates *will* usually be lower than normal and than initially sought, but that in many cases the gains, though marginal, may be very important in the local situation. Role models in the staff from excluded groups can be attracted and can be important stimuli for less prepared students. 'Vestibule academies' and bridging and other preparation programmes are already showing results in South Africa (Strydom 1992) just as they have in a vast number of experiments and now ongoing programmes in the USA. The point here is, of course, that the Bank must show increasing tolerance in its policies about responding to the plans of countries and institutions to become more equitable and to use their system of higher education in other than traditional ways for purposes of nation-building. Both long and short-term strategies are needed and both require investment. There are no low-priced models in the equity business.

Quality assurance

The Bank is entirely correct about putting relatively high priority on the issue of quality assurance for the higher education systems in developing countries. Certainly this matter has received a large amount of focus in the countries of the developed world over the last decade (Craft 1992; Kells 1992). It is now receiving considerable attention in Central and Eastern Europe where both structural readjustment and conversion to market economies are occurring accompanied by the introduction of a vigorous private sector in higher education (CEPES/UNESCO 1993). What the Bank does not do, once again, is to see these matters as the complex issues and procedures they are, and must be, and to promise some investment to support the steps it recommends.

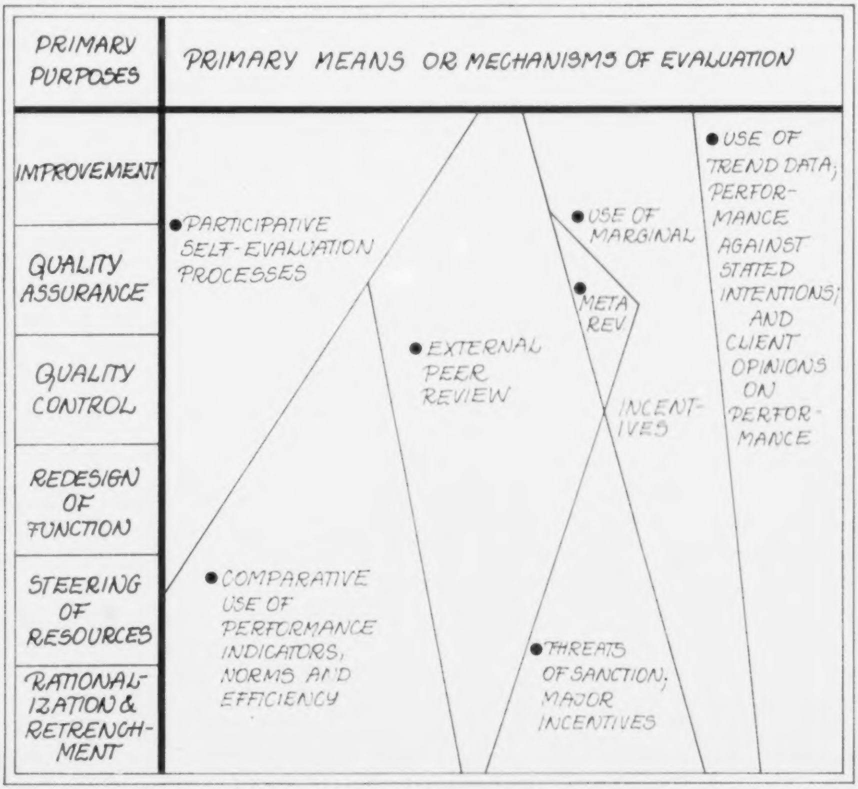
In an effort, apparently, to move away procedurally from the old 'saws' of 'it can't be defined' and 'but you know it when you see it', the Bank's economists focus on inputs (salaries, people, libraries), as well as efficiency and certain methods of assuring quality and some improvement (self-evaluation, peer review, accreditation, etc.), rather than on the former items *plus* the examination of the matter of appropriate content and high-level products (learning, skills, professional attitudes and values). Better inputs and particular assessment methods alone will not assure quality. High quality programmes offer the right content effectively and with it achieve desired university (or whatever)-level results. One must also encourage the building of self-regulatory capacity on the part of universities so that improvement through their own actions and processes obviates the need for simplistic, often less than helpful, government monitoring and inspections. These matters deserve some explanation here.

Patterns in higher education evaluation

The matter of quality assurance must be seen as an element in a larger array of evaluation motivations which include other related but different intentions as well. At the macro level (national and institutional schemes, as opposed to teaching-learning strategies), this can be best described, because of its complexity, by referring to two diagrammatic representations.

In Figure 1, the patterns which have developed both in North America and the UK over the last century as well as in Europe, Latin America and Asia over the last decade are portrayed. The major attributes of evaluation systems are arrayed on the vertical axis and the spectrum of extant activity is arrayed horizontally in the form of a blended spectrum for each attribute.

Figure 1: *Patterns of evaluation found in extant national and institutional schemes (from Kells 1994)*


PRIMARY PURPOSES
PRIMARY MEANS OR MECHANISMS OF EVALUATION
IMPROVEMENT
QUALITY ASSURANCE
QUALITY CONTROL
REDESIGN OF FUNCTION
STEERING OF RESOURCES
RATIONALIZATION & RETRENCHMENT
● PARTICIPATIVE SELF-EVALUATION PROCESSES
● EXTERNAL PEER REVIEW
● USE OF MARGINAL
● META REV
INCENTIVES
● USE OF TREND DATA; PERFORMANCE AGAINST STATED INTENTIONS; AND CLIENT OPINIONS ON PERFORMANCE
● COMPARATIVE USE OF PERFORMANCE INDICATORS, NORMS AND EFFICIENCY
● THREATS OF SANCTION; MAJOR INCENTIVES

The distribution of national experiences in this matrix is fascinating. For reasons of cultural difference and differences in the organisational array of power and influence (how people, including government officials, view higher education and the role of universities, in the former case; where power is located and where control of quality should be focused, in the latter; etc.), it happens that the evaluation schemes found in the Americas and in some Asian derivatives are clustered generally on the left side of the spectra, those newer schemes particularly in Northern and North-Western Europe are largely in the middle of the spectra, and the schemes generally (with some notable exceptions) in the UK and Commonwealth derivatives are found on the right side of the diagram.

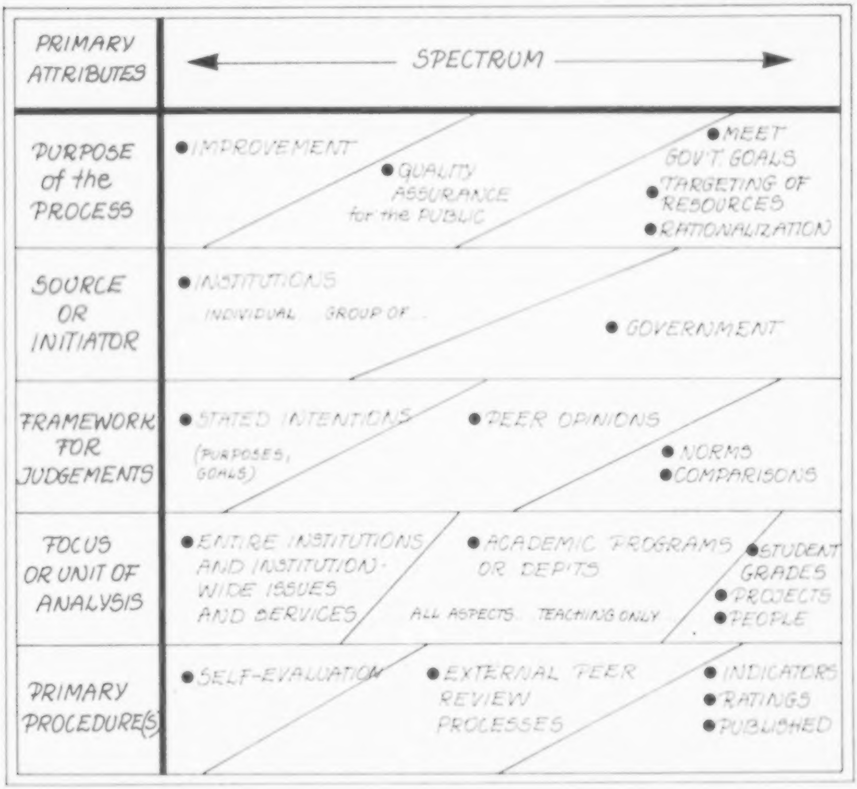
One can immediately begin to see that the matter of quality assurance is usually found intertwined in a system with intentions to improve the institution or programme, for instance, or with intentions to shift or 'target' resources. So, different procedures are mixed in the overall scheme. Some evaluation procedures are better at achieving a particular intention than others; some may be used in direct attempts to evaluate and others may be used at a meta level (to review the institution's control mechanisms), for instance; and they certainly focus on different and often multiple elements in the inputs-intentions-processes-outputs sequence. The Bank's best practice suggestions (which, whether they like it or not, tend to become prescriptions) begin to look quite simplistic and superficial.

Indeed, the matter is even more complex. If one examines in more detail the patterns of relationship between the procedures which are and must be employed to fulfil effectively the various purposes of evaluation, including quality assurance, as is portrayed in Figure 2, even more elements come into play. We see, for instance, (by reading across the diagram horizontally for each intention), that in order to fulfil quality assurance requirements, depending on the particular intentions of the institution or programme and the array and interests of stakeholders or clients, four or five activities and factors become important. Systematic collection of client opinions (from students, graduates, employers, community leaders, etc.); the review of graduates' competencies (reviewing of examinations and theses or papers; perhaps skills testing); review of research results and publications, in addition to the focus on input quality through enhancing the regular policies and self-evaluation efforts, peer review etc. suggested by the Bank paper, are needed. All of this requires investment in data systems, staff, staff training, and procedures costs which most developing institutions cannot make at this point without financial assistance and initial guidance.

There also is the danger that following the Bank's suggestion about accreditation schemes (here we assume it means the USA type of accreditation scheme) will lead to considerable disappointment in countries and situations where they cannot produce the result required. Interestingly, the scheme in the USA is under extreme criticism for not producing enough public assurance of quality in a system of institutions with a wide range of apparent quality and for being a costly, atomised, professionally dominated scheme (Wolff 1993). To adopt it, or any other particular scheme, because the Bank thinks it to be worthy, without serious modification to match local conditions, standards, and traditions, would be troubling and would probably lead to controversy and malfunction.

Examples of mismatch of country conditions and imported quality assurance systems would be: The use of USA institutional accreditation with its heightened focus on basic skills performance testing of students in a country with elitist student selection imported from Europe, such as in Tanzania; or to use such a scheme unaccompanied by a strong initial licensing law to work with both public

Figure 2: *The relationship between the intentions of evaluation and the type of procedures usually required to achieve them (from Kells 1995)*



PRIMARY ATTRIBUTES	← SPECTRUM →		
PURPOSE of the PROCESS	● IMPROVEMENT	● QUALITY ASSURANCE for the PUBLIC	● MEET GOV'T. GOALS ● TARGETING OF RESOURCES ● RATIONALIZATION
SOURCE OR INITIATOR	● INSTITUTIONS INDIVIDUAL . GROUP OF ...		● GOVERNMENT
FRAMEWORK FOR JUDGEMENTS	● STATED INTENTIONS (PURPOSES, GOALS)	● PEER OPINIONS	● NORMS ● COMPARISONS
FOCUS OR UNIT OF ANALYSIS	● ENTIRE INSTITUTIONS AND INSTITUTION-WIDE ISSUES AND SERVICES	● ACADEMIC PROGRAMS OR DEP'TS ALL ASPECTS . TEACHING ONLY	● STUDENT GRADES ● PROJECTS ● PEOPLE
PRIMARY PROCEDURE(S)	● SELF-EVALUATION	● EXTERNAL PEER REVIEW PROCESSES	● INDICATORS ● RATINGS ● PUBLISHED

research institutions in Latin America which are non-corporate centrifugally feudal faculties-dominated institutions and new private institutions without the basic infrastructure to perform well. Similarly, the importation of, say, the Dutch 'education' review scheme which operates on a programme level without sanctions and follow-up to be used with the private institutions in Brazil or Chile, or Rumania would be a disaster. Procedures must follow purposes in quality assurance under the conditions focused locally. The quality assurance scheme must provide the ability to focus on the important characteristics under the conditions which exist in the country. One size does not fit all.

Achieving quality assurance

What the Bank ought to be assisting institutions in developing countries to develop first is a self-regulatory capacity (Kells 1992) which contains both a strong element of quality assurance and the ongoing capacity to improve teaching-learning, management services, research capacity and other dimensions of the organisation. This would ensure that the institutions themselves are more able on an ongoing basis to make the changes so that national needs for effectiveness and appropriate efficiency are provided. This is not something which can be achieved by merely recommending that such institutions do as their developed cousins do - use accreditation, self-evaluation etc. It will take assisted investments in funds to provide staff - a critical mass of experience and available work time are essential - staff training, data base development, systems development for evaluation processes, consultants, travel for study visits and the like.

Recent conversations with Bank staff (Holm-Nielsen 1994) indicate that at least one department of the Bank is thinking about workshops, 'tool kits' and other efforts to assist developing countries. The question I have is the matter of scale. Unless massive country by country investments are made in staff provision and training, in design consultation and the like, little impact will result. Experiences in Chile (Lemaitre and Kells 1994), in Sweden (Nilsson and Kells 1994), the Netherlands (Kells and van Vught 1988; Vroeijensteijn 1990; Kells *et al.* 1991) and other places indicate that even when people and resources are available (Chile has eight professionals working with about 50 private institutions), several years and large investments in training, materials development and explorations of various kinds are needed to develop effective systems and to build-up the culture of evaluation and self-regulation in a country. For many impoverished countries these efforts will require outside financial assistance part of which could be provided by the loan packages of the Bank.

One way or the other, under the conditions existing in a given country, a system of quality assurance must be able to provide the following elements:

- A consideration of the stated intentions of the unit being reviewed: clarity, completeness, consensus and usefulness are important here, as is the appropriateness of the intentions with respect to compatibility with parent intentions and/or national needs;

- A consideration of the adequacy of inputs (students, staff, resources, infrastructure) in terms of desired characteristics (re the norms of university or other professional expectations) and adequacy of provision, given contemporary expectations concerning effective and efficient delivery systems;

- A consideration of the adequacy of the content and the methods of delivery of primary processes (programme, course or service content; most effective teaching modes (Entwistle 1994) and the staff development and other services needed to support the primary processes (libraries, computers, supplies, books and other student materials, advisory and other services);

- A consideration of the adequacy of the end-products produced as a result of the interaction of the primary processes with the inputs in a given environment. Here the need is to at least sample the adequacy of the cognitive, psychomotor (skills), and other (professional attitudes, values etc.) abilities of graduates; the satisfaction with any services provided and the pattern of scholarly or research products (for institutions with research intentions) and any other opinions of clients or other patterns of results which relate to each of the stated or inferred intentions of the unit; and

- A consideration of the adequacy of the unit's own quality assurance mechanisms.

The last item in the package has received a considerable amount of attention in the universities of the United Kingdom (HEQC 1994) and perhaps in even more fundamental ways in the discussions in Sweden (Bauer 1993; Nilsson and Kells 1994) because of the focus there on the expectation that each university will develop its own system of quality assurance and development supported by a local plan, nationally provided assistance and potential sanctions for developing an effective scheme. In that regard, it is interesting to consider the characteristics of such systems as they are being considered in Sweden. They are: primary focus on the institution; responsible transparency (important patterns obvious to all; damaging details not discussed before correction is possible); different levels of activity (people; programmes; institution; basic policies and procedures concerning selection of people and providing information for control processes), completeness in a cycle (all major units reviewed in a multi-year cycle); a strong focus on improvement; and responsiveness to stakeholders (Nilsson and Kells 1994).

What developing countries are doing

Due to the influence of former colonial attachments and to the strength of the movement to build evaluation schemes in the last decade, some developing countries have begun to implement on either and *ad hoc* basis or, in a few isolated instances, in organised and even collaborative (multi-institution) ways, efforts to provide quality assurance and/or quality improvement in at least some aspects of higher education. In the overall universe of least developed, low income and lowest middle income countries, probably less than a quarter (Asian examples are not well known in the available literature or first-hand to this writer) have made any appreciable progress on these matters - and therein lies the basis for the argument that assisted investment in such systems and infrastructures is required. The job is not an easily accomplished one and it is far from completed. Building the culture of evaluation, much less self-regulation, and gaining sufficient experience, expertise and infrastructure takes time and investment.

Perhaps the most developed systems for quality assurance in developing countries are those of long-standing in the Philippines (programme level accreditation of the American variety conducted collaboratively and non-governmentally). Furthermore, those in Commonwealth or Commonwealth-influenced countries (such as, for example, South Africa, Tanzania, Zambia and the Sudan) which apply part of the UK system, specifically the use of external examiners to review student accomplishment and consistently of grading and degree awards. In these examples, the development is partial in terms of local aspirations and needs and in light of the basic components listed above. The accreditation system of the Philippines is partially developed, covers but part of the higher education system and is in considerable need of strengthening (Cooney 1989). The Commonwealth countries or relatives thereof have yet to develop the other aspects of the UK scheme (meta evaluation or 'audit'; research selectivity reviews; and teaching assessment) as well as some kind of programme review (see Kells 1989; Gregory 1991). In addition, institutional-level reviews, such as are used in France, Finland, Mexico, Chile and the USA, and reviews of management services (see Donner and Kells 1993) are not generally in the UK programme of quality review and therefore not found in the Commonwealth developing countries.

The other fairly well organised system in a developing (but really lower middle income) country is that in Chile where, over the last four years under statutory provision, a system has been developed to work with the new private universities and to encourage the development of a nationwide culture of self-regulation. In addition, the active body to this point, the Consejo Superior de Educación, has worked with public, traditional research universities, most prominently the Universidad de Concepción and the Universidad de Chile, to develop systematic programme review systems. Materials (books, manuals, cases, slides) and training workshops for institutions conducting self-evaluation and for peer visitors have been developed as well as a workable set of criteria agreed to by all concerned (Kells 1993; Lemaitre and Kells 1994).

The other active systems in Latin America are in Mexico where both programme level and institutional reviews are conducted (CONEAVA 1992) and in Brazil where reviews of the quality of post-graduate programmes have been conducted for some years by a governmentally supported body in order to steer investment and improvement (Durham 1991; see also Cowen and Cowen 1989). In Colombia, there exists a scheme to review new programme proposals and to encourage institutional self-regulation and planning (Gonzalez 1991) and a new law in Argentina will provide for the development of quality review in the higher education sector. Most of these efforts, admittedly, are in relatively highly developed countries.

In Asia, most of the efforts of which this observer is aware are in well developed countries: Taiwan, Japan, Korea, Australia, and New Zealand. Most are partial in terms of the model presented above. Interest also exists in developing further the quality assurance schemes in Thailand and Indonesia.

In Eastern Europe, in developing but middle income countries, where restructuring of higher education and the introduction of private institutions have occurred, there is underway a large movement to, in effect, add institutional licensing and accreditation of, generally, the American kind because the range of provision and quality is so extensive (CEPES/UNESCO 1993).

Finally, in Africa, beyond the longstanding use of external examination techniques in UK-influenced systems, there are three examples which should be mentioned. The first two are examples of self-evaluation which was applied at the university level in particular instances (not systematic or continuous): in Mozambique as has been noted in several Bank documents; and in Tanzania in 1991 with respect to a management review (Kells 1991). The most continuous and culture-inducing efforts have been conducted over a five year period in South Africa in many universities, both White and Black. They have involved the use of self-evaluation experiments and the creation of proposals for much wider efforts, much of it supported by grants from the Anglo-American Corporation and led by a racially integrated group headed by Professor Kalie Strydom at the University of the Orange Free State. This has included leaders from the Transkei, the University of the North and the Universities of Pretoria, Cape Town, the Western Cape and others (Bitzer 1993; Strydom 1993). The efforts in Africa are in need of expansion and require substantial outside investment. First efforts in South Africa to support planning systems and related institutional research dimensions have been initiated under support from the Ford Foundation (Times Higher Education Supplement, 6 October, 1993), but much more is needed.

What the Bank should do

The Bank is a major investor in the educational sector in developing countries. It wisely attempts to secure plans for systematic and logical development efforts, but, as previously mentioned, appears to focus sequentially in time and unidimensionally by and large ignoring, so it seems, the complexity of the situation, the differential pace of development and even the vital issue of critical mass of infrastructure with respect to the issue of quality assurance.

The Bank must raise its tolerance for ambiguity so that, in appropriate ways, the reforms it now seeks may be made in higher education as well as in the lower schools for the whole system to become functional in a more effective and efficient way at some future point. Surely, there are countries which need investment in infrastructural capacity in higher education now (despite the fact that the Bank has moved on to other approaches and 'did such infrastructural investment in another phase') and other institutions (many if not most by my reckoning) which require staff investment and training now, particularly with respect to establishing data and evaluation systems for quality assurance and other management needs.

There must be the possibility to categorise the countries by need and to use a judicious blend of investment response to assist differentially. Not to do so, and to neglect the needed additional investment in higher education, will mean that the students from improved lower schools will not find a well developed, strong, quality-assured university and otherwise differentiated higher education system available to serve them. Furthermore, the impact of such a system on the economic development of the countries, which the Bank rightly foresees, cannot and will not occur.

Specifically, with respect to quality assurance, responsiveness and equity, the Bank cannot ignore the realities that, for most of the institutions in developing countries, the staff (in numbers and expertise), the systems, the required culture (organisationally), and the infrastructure are not in place, despite previous efforts in many countries by the Bank. There is a critical mass of capacity which must be present before one applies the economist's tests, questionable though they are of 'rate of return on investment'. Literally, thousands of managerial and academic staff must be provided and trained locally and externally if the Bank's 'best practice' suggestions are to be employed in these three areas (particularly with respect to quality assurance and responsiveness, but with respect to equity as well) in the poorest countries. The loan packages must include these dimensions, even if the relative proportion of such effort compared to investments in the lower schools and basic education efforts is low. To do less would be to ignore reality.

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Empirical perspectives on the World Bank paper

Higher education in India at a cross-roads

Jandhyala B.G. Tilak

Introduction

After independence, India has started almost from scratch and made significant progress in educational development. During the post-independence era, the progress in case of higher education is very impressive. The number of universities has increased from a meagre 28 at the inception of planning in the country (1950-51) to about 175 in 1993; and the number of colleges increased from less than 700 to more than 7,000 during the same period. There was an explosion in student numbers, the current enrolments in higher education swelled from less than half a million in 1950-51 to about 6.6 million in 1992-93. Public expenditures on higher education also increased significantly. It was as high as Rs. 24.2 billion (thousand million)[1] in 1991-92, compared to about Rs. 120 million in 1950-51 (both in current market prices). Such an educational explosion has been inevitable for the following reasons:

a) Provision of educational facilities in the pre-independence period was very insignificant. Independence has created an unquenched thirst for knowledge resulting in an abnormal rise in social demand for higher education;

b) Secondly, building up a new socio-economic system after the end of colonial rule required large scale manpower with varied skills, and so the government could not but expand the higher education system significantly;

c) Thirdly, the welfare state policies necessitated the expansion of the system horizontally, so that equity in education could be promoted.

The significant growth in higher education in India has contributed to the building up of the third largest reservoir of scientific and technical professional manpower in the world, which helped the nation in achieving a reasonably high and sustainable rate of economic growth and in the realisation of the national goal of self reliance in various sectors. Though from a national point of view, it is associated with brain drain and loss of scarce resources - financial and human - from a global point of view, India supplies highly skilled scientific and technical manpower to the world market produced at a relatively low cost.

At the same time, it must be noted that despite massive growth in numbers, hardly five percent of the 17-23 age-group population in the country are enrolled in higher education institutions. While significant improvement has been achieved with respect to participation of lower socio-economic strata in higher education, formal higher education is still believed to be elitist in nature: gender, caste, regional and economic inequalities still persist in higher education and correspondingly in the labour market.

The 1990s marked a beginning of several new developments in the Indian education system. A country that was described by the World Bank in 1990 as a 'non-adjusting country', a country that did not need adjustment measures of the kind suggested by the World Bank and the International Monetary Fund (IMF) and as the one that experienced an impressive increase in growth rate of its average gross domestic product (GDP) per capita during 1980-87 (Kakwani *et al.* 1990), was to resort to adjustment loans (including stabilisation measures) of the Bank and the IMF. A country that also did not rely on external assistance for education for a long time has to resort to external borrowing form World Bank and other multilateral and bilateral organisations for education, specifically for primary education. The adjustment policies in general, and the aid policies for education in particular, have serious implications for higher education. These implications are obvious through explicit and implicit conditions that go along with the structural adjustment policies, which generally include, *inter alia*, reduction in public subsidies to higher education, increase in cost recovery and privatisation.

But with the new economic policies launched in 1990 that include globalisation of the Indian economy, it is forecasted that the need for a more highly educated labour force will increase dramatically, and correspondingly the demand for higher education will increase significantly. Hence efforts must be made to meet the rapidly growing social demand for higher education, and it is strongly viewed that any reforms that lead to reduction in public subsidies for higher education at this stage will be detrimental to the growth of the education system in particular, and the economy and the globalisation of the economy at large. But, in the recent government budgets, allocations for higher education suffered a lot, the government grants being either frozen or allowed to decline both in market prices and in real terms. In the eighth five year plan (1992-97) of the country, only seven per cent of the educational outlay was allocated for higher education, compared to nine per cent in the first five year plan (1951-56), and 25 per cent in the fourth five year plan (1969-74). The World Bank's (1994) policy paper on higher education has to be examined in this context.

The World Bank's paper on higher education

After the sector policy papers on education in 1971, 1974 and 1980 (World Bank 1971, 1974, 1980), on financing of education in 1986 (World Bank 1986), and on education in sub-Saharan Africa in 1988 (World Bank 1988), the Bank started publication of sub-sectoral policy papers. After primary education in 1990 (World Bank 1990), and vocational and technical education in 1991 (World Bank 1991b), the Bank (1994) has now brought out a paper on higher education. Unlike the papers on primary and vocational and technical education that emerged from wider research (World Bank 1991a, 1993), the higher education paper is apparently not associated with any such elaborate solid research publication of the Bank, though some important research seems to have been carried out/commissioned specifically in the context of the paper.

First, it may be useful to look at the pattern of distribution of World Bank lending for higher education (1980-93) that the paper presents (World Bank 1994:81). It is important to note that two-thirds of the Bank lending for university education went to the relatively affluent East Asia - the highest proportion among the developing regions of the world, and the least (1.5 per cent) to South Asia. If lending for all post-secondary education is taken into account, including lending for polytechnic institutions, technical institutions, and teacher training institutions, East Asia accounted for 54 per cent and South Asia for 12.5 per cent. While country-wide data would provide more useful firm insights, it is clear that populous and poor countries like India (and Pakistan) in South Asia did not receive any (any sizeable) assistance from the World Bank for its higher education system.

The World Bank rightly notes that "despite the clear importance of investment in higher education for economic growth and social development, the sector is in crisis throughout the world" (World Bank 1994:1). But some feel that the crisis is aggravated by, if not is due to, some of the policy prescriptions of the Bank for the developing countries that include, *inter alia*, reduced emphasis on higher education, and more specifically reduced public investments in higher education. For example, the major policy suggestions of the present policy paper of the Bank are, as reviewed in another section of this book, greater differentiation of institutions, including the development of private institutions, distance universities, and non-university institutions; diversification of sources of funding, including cost-sharing with students and other ways of mobilising greater private financing for public higher education; redefinition of the role of the government in higher education broadly confining it to formulation of a coherent policy framework and with government reliance on incentives and market-oriented instruments; and introduction of policies explicitly designed to give priority to quality and equity objectives.

Thus, understandably, issues relating to financing of higher education and privatisation (both are related) emerge more prominently than others in the paper both directly and indirectly. Another issue of relevance for Indian higher education that figures prominently in the paper refers to open learning systems. This short article is an attempt to reflect on these three aspects from an Indian perspective.

Privatisation of higher education

Privatisation of higher education, a term that could not find a place in the 1980 policy paper of the Bank, is the single most important measure the present paper strongly advocates, arguing for greater differentiation of institutions, expanding/encouraging private provision, and greater private financing.

First, it is high time that a proper distinction is made between private and public education systems, and several forms of 'private' education (see Tilak 1991). Private education systems financed largely from the public exchequer are more akin to public education systems, than to be qualified to be known as private systems in any proper spirit of the term. Like most of the recent voluminous research, the Bank paper also fails to make this distinction. Accordingly it reports, for instance, that in India about 60 per cent of the enrolments in higher education are in private institutions (World Bank 1994:35). It may be noted that until now there are no private universities in India (except a recently recognised private medical institution), though some initiatives are being made in this direction most recently; and that there are only private colleges, most of which are funded by the government to the extent of 95 per cent or more of their recurrent and sometimes capital expenditures. So most of the so-called private enrolments are actually in publicly funded higher education institutions in India - whether they are publicly managed or privately managed. The Bank paper refuses to acknowledge this, though it notes that public subsidies are an important factor in explaining the growth of private education (World Bank 1994:37).

In some states in India a disproportionately large share of public budgets on education go to private institutions, thereby depriving the public institutions of scarce resources. For instance, according to the 1994-95 budget estimates, 72 per cent of the public budget for higher education in the state of Uttar Pradesh goes in the form of aid to private colleges, 26 per cent to government colleges and universities, and the rest to overall administration, scholarships, etc. Given the present questionable practices of these private institutions, such an allocation of public resources leads to private enrichment at the cost of public expense, and correspondingly lead to public pauperization. But the paper concludes that "in these countries, access to higher education has been substantially broadened *without imposing an unsustainable financial burden on the government budget*" (World Bank 1994:34-36; emphasis added). While both these claims are questionable, the latter one, i.e., that these private institutions do not impose a financial burden on the government budget is not true in India, and also in other developing countries. It has been widely noted that such private institutions across the world critically depend upon state subsidies.

There are a very few private institutions in India that do not depend upon state aid. Ignoring 'teaching shops' and the like, formal private institutions of this kind are largely in the areas of medicine, dentistry and engineering. These colleges known as 'capitation fee' colleges are associated with several maladies: they perpetuate social and economic inequalities in the system with such an intensity that no welfare state can afford the long term cost; they contribute to massive erosion in the quality and standards in higher education; they run for profit with little considerations for national manpower needs; since profit is allowed, they charge several times the cost of provision of education as fees; and above all, they contribute to distortions in the financing of the public education system as well (Tilak 1992a, 1994a).

Compared to the private institutions opened in the 1950s and 1960s, these institutions reflect a great shift from lofty motives of charity and philanthropy to greed and corruption. Because of these ills, several legal battles are currently going on in India in the case of these colleges. But without taking note of any such ills, the Bank recommends the private institutions as a major solution to the education problems in developing countries. The Bank seems to be endorsing the existence and growth of 'for-profit' higher education institutions, a phenomenon that many feel undesirable on ethical, theoretical and practical grounds. The paper advocates privatisation without even obliquely referring to the actual experience of many countries where quality, equity and efficiency of private educational institutions are poor, the practices adopted in the management and financing of these institutions are questionable, and the long term socio-economic costs to the society are enormous (see Tilak 1991).

Student fees

With respect to 'greater private financing', reforms in student fees have been suggested as an important measure, along with student loans to the needy students. First, a general impression has been created that higher education in India is provided (relatively) free and that there is abundant, rather unlimited, scope for increase in fees. Many policy suggestions are based on the same impressions (Tilak 1993a). First, it has to be noted that the fee (tuition and other fees) as a proportion of recurrent costs of higher education in India is reasonably high, 15-20 per cent. This is much higher than the corresponding proportion in many developing and developed countries of the world (Tilak 1993b). Even in countries like the USA, tuition fee meets only a quarter of the total recurrent expenditure, the maximum being 40 per cent in South Korea. The corresponding figures are higher in poor countries like Vietnam than in relatively developed countries like New Zealand, Spain, France and Singapore, as the Bank paper itself documents (p. 42). Yet the paper argues for measures to mobilise greater share from the students. The limits to the 'greater share' need to be noted.

In the context of these policies, it is also necessary to note that student or household expenditure on higher education is much higher in relative proportions in India than in a country like the USA (Tilak 1993b). Further, given the low levels of living of the population on the one hand, and more importantly, in the absence of any effective student aid programmes on the other, any measure to increase fees substantially and to reduce public subsidies for higher education would produce a brutal impact on the poor students.

Student loans

Quite often, to counter-balance the adverse effects of increase in fees, student loan programmes are suggested, and so does the Bank's paper (p. 46-48). There is already a student loan scholarship programme in India in operation since the early 1960s. Besides theoretical arguments and structurally inherent weaknesses of the student loan programme, the most important problem faced with respect to student loans in India, as in most other developed and developing countries, relates to non-repayment of the loans.

Of the total investment of Rs. 869 million made on student loans programmes in India during 1963-64 to 1987-88, only 5.9 per cent was recovered. Upper estimates may be around 15 per cent in some years in some states. Thus, the Indian experience with the recovery of national loan scholarships scheme is not at all encouraging; in fact, it is more discouraging than in many developed countries (Tilak 1992b). The Bank paper itself documents the huge costs including default costs incurred by several countries on student loan programmes (p. 67), which points to the severely restricted scope of loans in financing higher education. Yet the paper argues for introduction/expansion of loan programmes in developing countries as an important solution to the problem of finances, and as an effective mechanism to safeguard access of the weaker sections to higher education. Both premises are yet to be empirically confirmed.

In this context, an important issue that is often overlooked relates to the indivisibility of a package of reforms consisting of reforms in fees and scholarships. Like many earlier research/policy papers, reforms in fees and scholarships are independently proposed. Unless, first, a sound scholarship scheme and a programme of loans are evolved, it is disastrous to introduce major reforms in fees. Administrative inefficiencies along with vested interests, that are characteristics of developing countries, may lead to introduction of fee reforms, and non-introduction of or inefficient ways of administering the scholarship and loan programmes, drastically affecting equity in education adversely.

Open learning systems

After the 1986 National Policy on Education, considerable attention is being given to open/distance learning systems in higher education in India. There are presently five open universities, including a national open university. Besides, there is a proposal to start one open university in each state. These open learning systems are viewed essentially to meet the unmet social demand for higher education. But the Bank paper refers favourably to open learning systems and distance education modes in India and Thailand in the context of improvement in equity in higher education (World Bank 1994:33 and 77). The Bank is giving an impression as if distance education programmes should be planned as an effective mode for the education of weaker sections and for improvement of equity in education, while for efficiency in education and for education of non-weaker sections the formal universities are suitable.

But poorer sections of the society might not take advantage of the open learning systems, as the direct costs to the students are much higher in open universities than in formal universities. Like in many other countries, a large proportion of income from the open learning systems in higher education in India consists of student fees. It was as high as 75 per cent in distance learning systems in higher education in India in the early 1980s (Ansari 1992).

Schools of correspondence courses in formal universities, an important form of distance/open learning system, are viewed more as resource-generating channels, generating income much above the corresponding costs, rather than as ones that offer effective education. On the whole, the effectiveness of open learning systems in terms of quality and efficiency - specifically external efficiency, i.e., labour market rewards - is yet to be established beyond doubt. Until then, the open learning modes will naturally be treated as inferior or second-rate quality institutions.

Further, the Bank paper recognises the strong impact of constitutional measures relating to positive discrimination of scheduled castes and tribes in India (World Bank 1994:78), but ignores the impact of financial incentives. A large proportion of women and weaker sections, such as scheduled castes/tribes and other backward castes receive tuition free higher education, and also receive scholarships to meet a part of non-fee direct costs and sometimes a part of opportunity costs. These somewhat liberal forms of public financing of education of women and other disadvantaged groups in formal higher education institutions and their impact on enrolments in India cannot be overlooked in this context.

Concluding observations

This article[2] presents an Indian perspective of the World Bank policy paper on higher education. It does not claim to be an exhaustive comment on the Bank paper, nor is it claimed that the Indian perspective given here is exhaustive. A handful of major issues, viz., privatisation, student fees, student loans and open learning systems, have been chosen and the Indian and the World Bank perspectives on each issue are compared and contrasted. While the predominant Indian view is that "higher education determines its (India's) economic and technological progress" (UGC 1993:18), and hence the "State or Government funding must continue to be an essential and mandatory requirement for support to higher education. The Government/State must continue to accept the major responsibility for funding the essential maintenance and developmental requirements of the universities" (UGC 1993:107), the World Bank seems to feel that reduced emphasis on higher education by the government would be economically and educationally an efficient proposal. These contradictions are not specific to the Indian context. Many developing countries might share these and similar ones.

Instead of presenting any resume of the earlier arguments here, it may be useful to briefly refer to a couple of additional general points.

First, higher education is not a homogeneous good. It includes under-graduate, and post-graduate education and research, and these different components require different kinds of treatment in funding and other aspects. As Williams (1992:1) observed, "serious discussion of its (of higher education) finances cannot ignore its heterogeneity". But the World Bank paper does not make any distinction between these different components and, instead, proposes a single package of reforms for higher education systems in developing countries, as if they are homogeneous.

Secondly, while rates of return to primary and secondary education are higher than returns to higher education, as the paper rightly notes, social returns to higher education in developing countries are not so low to warrant significant withdrawal of public resources. Available estimates on rates of return to education in India suggest that investment in higher education yields positive and high returns to the society and to the individuals (Tilak 1993c). Further, often comparisons are made between primary and higher education focusing on the cost ratios. But many feel that such comparisons should not be taken too far. As the UGC (1993:18) noted, "while it is mandatory that the nation achieves universal elementary education and total literacy, at the same time it cannot afford to neglect and relegate to a neglected position our quest to achieve global standards in higher education". The UGC Committee also "deprecates the tendency which views education in a truncated fashion and sets one sector against another" (p. 18).

Lastly, it is not to argue that the Bank is not aware of the contribution of higher education to economic growth of nations. The Bank's voluminous research ably exemplifies the role of higher education in development. The present paper by the Bank also recognises the direct benefits of higher education and the externalities of research and technology, and imperfections in capital markets, but does not favour public financing of higher education. It argues that the role of the government should be largely confined to establishing a coherent policy framework. It may seem as an important contradiction in 'development in practice'.

Notes

1. One USD is roughly equivalent to IRS 30 (October 1994).

2. Some of the comments made in this article are briefly described in Tilak 1994b.

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A Chinese model of higher education? Lessons from reality

Kai-ming Cheng

The World Bank paper (1994) has made several references to higher education in East Asia and special reference to China. This chapter delineates the Chinese system of higher education and its recent reforms in order to test the case against the World Bank analysis.

The system and reforms: an overview

China operates the world's largest education system with a total student population of over 208 million (1993) in the formal system and over 54 million in the non-formal sector. However, the higher education component is relatively slim with a student population in formal higher education of only slightly over 2.5 million and in non-formal higher education of less than 1.9 million[1]. In 1993, the intake into formal higher education was 0.9 million or a gross enrolment ratio of less than 4%[2].

The system is still highly selective. The general picture is near universal attendance for the 6-year primary education, a gross enrolment ratio of 73% for the 3-year junior secondary education and less than 30% for the 3-year senior secondary education[3]. About half of the senior secondary education students are in the academic stream preparing themselves for university entrance. There are huge regional disparities in these average figures.

Reforms of the 1970s and 1980s

Reform in higher education began immediately after the Cultural Revolution in the late 1970s when pioneering institutions attempted to establish accountability systems as alternatives to the ideological-bureaucratic control of higher education institutions. They struggled on two fronts: on the one hand, institutions had to recover from the aftermath of the Cultural Revolution when the entire higher education system was virtually eliminated; on the other hand, the planned economy and full employment policies had turned universities into most inefficient institutions. These reforms, which largely aimed at management flexibility, did not go very far, and were soon overtaken by reforms of the financial system which had sweeping effects on higher education.

In short, the financial reform in education aimed at devolving the financial responsibility to lower levels of government, diversifying the funding of education to more government agencies and creating new sources of funding in the non-government sector. In higher education, the reform has created many new ways in which universities exchange their expertise in training and research for financial resources, or generate income by engaging themselves in all kinds of economic activities. The reform, which started officially in 1985, was initiated by the central government in order to reduce its financial burden. It has been quite effective. In 1993, for example, most higher education institutions in China received less than 50% of what they deserved from state appropriation.

Several factors made this financial reform possible. First, the open economy policy has created an unprecedented demand for high-level manpower, and hence universities play an active role in terms of manpower supply. Second, relaxation policies have created among employers the flexibility to manipulate their own manpower and the discretion of using their own resources to do so. There are, therefore, buyers of university services. Third, the emergence of self-employment and private enterprises have created a 'market' sector in the labour structure. This has led to the emergence of fee-paying students who find higher education a worthwhile investment.

Reforms of the 1990s

A second wave of reform started in the early 1990s and was formalised in 1993. This was the abolition of the job assignment system for graduates and the introduction of fee-paying schemes for university students. Both measures could undermine the very foundations of a planned economy. The job assignment system was the inevitable consequence of strict manpower planning according to national needs. The abolition of the system reflects the growing significance of the market force in matching employers with employees. The fee-paying scheme breaks away substantially from a system of heavy state subsidy and reflects a general shift from an ideology which favours the proletariat.

Accompanying these reforms is the recent restructuring of the government. Several ministries have been de-established and turned into independent enterprises. Universities which used to be run by these ministries have now lost their sponsors and have to seek new ways of survival.

There are also other reform areas in higher education but the above depicts the general picture. Overall, the reform in China's higher education seems to move in a direction which is in agreement with the World Bank recommendations and most of the World Bank recommendations may be exemplified in the Chinese reform. However, despite its generally favourable orientations, the Chinese reform has also brought about issues and problems which are not foreseen by the World Bank.

Differentiation of institutions

The World Bank paper has appointed differentiation and privatisation as two of the key reform areas. This echoes what is happening in China.

Differentiation of the formal sector

In the formal sector, higher education in China has always been delivered through differentiated types of institutions. There are 4-year (*benke*) and 3-year (*zhuanke*) programmes with a ratio of around 3:2 in terms of student population (State Education Commission 1993:25). Many of the institutions offer solely 3-year programmes and has little element of a 'research' university. Some of the technical schools (specialised schools) admit secondary school graduates and train technicians. Although they are seen as part of the secondary sector, they provide higher education and are classified as higher education institutions in the manpower plans (see details in Zhou 1990).

However, the institutional differentiation in the formal sector existed long before the reform. It was the consequence of manpower planning which was a necessity for a planned economy. The Chinese system was a textbook example of manpower planning in the strictest sense of the word. The national economic plan dictates the target output for all sectors of the economy which, in turn, dictates the target output for all industries and work units. Such target outputs were translated into manpower plans and became the basis for the planning of education. Higher education institutions were very responsive to manpower requirements and were designed totally according to the stratified manpower needs. These needs were, however, calculated according to national plans, not to the market.

The present pattern of differentiation in the formal sector represents a rigidity which has been inherited from the past, rather than a flexibility to cope with the 'changing labour market needs' (World Bank 1994:5). Even at the high times of the planned economy before the reform, manpower plans never worked as desired. In the late 1970s, factories in Beijing were found to have a ratio of 10 engineers to 1 technician (Wang 1985). The rigidity was coupled with a system of planned employment where job assignment by the state was practised *in lieu* of job-seeking by individuals. Job mobility was minimal if not non-existent, and hence there was an absence of self-adjustment of the labour system due to supply and demand. This explains the constant item on the policy agenda: structural reform in higher education, which means re-distribution of relative weighting of different disciplines under existing conditions (see, e.g., Hao and Wang 1987).

Because of the introduction and expansion of the market elements in the economy, and hence in the labour structure, the manpower planning that has been practised since 1949 is rapidly collapsing. At the same time, the reform in the financial system and the relaxation of administrative control has given room for higher education institutions to adjust themselves to the change. However, higher education institutions, which used to be highly specialised in specific manpower categories, have a hard time moving away from the differentiation which was imposed on them historically by state plans. They would like to gear themselves to the labour market needs, but their infrastructure and staffing are not prepared for such a change.

Added to this basic difficulty is the disparity among regions within China -- a disparity which is brought about by the decentralisation policy The reforms in terms of finance and labour are more significant in some parts of the country than others. In coastal cities such as Shanghai, market elements have largely dominated the economy. There are plenty of 'independent' enterprises and a large amount of 'free' jobs in the market which are well paid. These environments are favourable to the advocated reforms. In the less developed provinces, on the other hand, the market sector is minimal. Unemployment would soon surface if the artificial full employment policy were removed. Here, reform in higher education does not make much sense.

This all seems to indicate that institutional differentiation alone does not automatically lead to responsiveness. There are at least two pre-requisites which have to be considered. First, that there is a real demand for trained manpower and second, that there is a true market for labour. Furthermore, there has to be a flexible infrastructure for reforms within institutions.

Differentiation of the non-formal sector

The developments in the non-formal sector of China's higher education may agree more with the World Bank assertion although there are still limitations. There are seven types of adult higher education in China: radio/television universities, workers' colleges[4], peasants' colleges, cadre institutes[5], institutes of education, correspondence colleges, and correspondence or evening sections of formal higher education institutions. There is a variety of learning modes, including in-service full-time[6], in-service time-release[7] and in-service evening studies.

However, again, the system is not a result of the reforms. It existed in the context that employees were 'owned' by the work unit, and individual learning was but part of the work unit's manpower development. Individuals used to be able to enrol in adult education courses only with the recommendation of the work unit. Learning could only lead to internal promotion according to the unit's manpower plan. This in-built rigidity in the system has been challenged by the economic reform during the last decade. The economics of adult education has become a necessary rationality both for the individuals and for the work units and works against the traditional convention. Individuals now pursue non-formal education purely for their own career prospects and is no longer seen as of benefit to the work units. The generosity for sabbatical and release is disappearing and is being replaced by cold-blood calculations.

Notwithstanding all these challenges, adult higher education is nonetheless still a viable ladder for social mobility. The whole society is struggling with a new role for adult higher education as reflected in the debates and policy fluctuations in admission and recognition of qualifications during the past decade[8]. The complexity of the issue is often masked by the splendid varieties of differentiation which do not provide the flexibility they should warrant. It can be anticipated that flexibility in the non-formal sector will be increased in the near future prompted by the social demand for higher qualifications among the working population.

The most spectacular reform in terms of differentiation is perhaps the introduction of a system of self-study examination in 1981. In 1993 alone, the examination attracted more than 4.8 million candidates[9] which was almost double of the total population in the formal sector. It is, however, not included in the conventional 'adult education' sector. The special feature of the self-study examination system is its open learning nature which is comparable to any other open learning system, and rather unusual in China. It requires no admissions examination as is the case for other adult education programmes. Candidates are allowed free choice of subjects both in terms of number and combination and are allowed progress at his/her own pace. The actual impact of the self-study examination is yet to be seen, but it is a clear reflection of the meritocracy which prevails at the dawn of a market economy. Self-study examination in China is also inexpensive both in terms of its operation and of the opportunity cost for individual candidates. This is compatible with the World Bank advocation.

Diversification of funding

Diversification of funding is one of the major features of the Chinese reform in higher education in the last decade. There are basically three types of higher education institutions in China which are funded differently: those directly under the State Education Commission; those under the other non-education ministries; and those under the provincial governments. In 1992, the number of institutions in the three categories were 36, 322 and 695, respectively. Their student populations were 10%, 33% and 57%, respectively, of the total.

Hence, as a tradition, funding of higher education was not centralised in the hands of the State Education Commission (or formerly the Ministry of Education). Most of the higher education institutions were funded either by non-educational ministries or provincial governments. There has always been a kind of 'diversification' of funding in the Chinese system. Nevertheless, 'diversification' is still within the realm of government funding and is a reflection of the compartmentalisation of the government bureaucracy. In the Chinese system, each ministry is virtually an independent empire with a self-sufficient system of manpower supply and demand[10]. This has always been the cause of inefficient utilisation of resources as cross-ministerial endeavour could have economised the use of available funds.

Real diversification in the sense of mobilising non-governmental resources began only in the early 1980s with the opening of the economy. The rapid growth of the economy has led to new demands for skilled manpower. Due to the reform policy, enterprises have also been given greater autonomy in developing their own human resources and deploying the available resources. Under these new circumstances, it has become possible and permissible for enterprises and companies to pay for needed manpower supplied by higher education. This takes place in a number of ways.

Income-generating activities

The most common means of 'purchasing' manpower is commissioned training (*dai pei*). The employers pay a fee in return for a training course for their employees or potential employees. The payment normally covers the direct cost for the training and partially the indirect cost. In substance, the institution generates income from the surplus because of the small marginal costs. Another means is rewarded allocation (*youchang fenpei*) when institutions ask for a fee from the employers in return for the employment of a graduate. The fees are, in essence, a retrospective compensation for the training costs of the manpower. Fee paying is another means by which additional places can be created in regular courses for those who can afford a fee and those who would otherwise be deprived of admission because of low entrance scores[11]. There are national plans to turn all university places into fee-paying ones, accompanied by an enhanced policy of student loans.

Parallel to incomes due to the institutions' training capacity are incomes generated through economic activities operated by the institutions. Like higher education institutions elsewhere, the most established institutions in China sell research products for additional income. On the whole, research is weak and the output can only in exceptional cases be commercialised. The most common activities are school-operated factories and school-operated firms. These endeavours may be totally detached from the teaching specialisation of the institution, their sole aim being to generate income to make up for what is short in state appropriation.

Hence, all the World Bank recommendations about diversification of funding are fulfilled in China, perhaps with the exception of alumni donations. However, diversification alone does not automatically constitute a favourable reform.

Disparities in higher education

In China, as is perhaps the case with many other developing countries, the basic problem with higher education funding is inadequacy. In the context of inadequacy, diversification of funding is likely to cause increases in disparity. The diversification approaches mentioned above are all institution-specific. In China, the most established universities may raise as much as 50% of their total expenditures from non-appropriated funds (ultra-budgetary funds). The less developed institutions can only raise about 20-30%[12] which means that they are usually under-resourced. The disparity is a reflection of the difference in the economy of the vicinity, the capacity of the staff, and the kind of students they can attract. In coastal cities, for example, institutions are not short of potential contributors because there is a general shortage of high-level manpower. This is, however, not the case in smaller cities or less developed regions. The teachers in established universities are capable of producing valuable outputs and services, but this is not the case for the majority of institutions in China. There are also more students in large cities than in other places who are ready to pay a fee, because the labour market rewards higher qualifications in large cities.

Disparity also exists among individuals and the consequences could be far-reaching. In China, education is highly valued because it has always been *the* social ladder for upward mobility[13]. In contemporary China, the traditional belief in the value of education is symbolised by the possibility of university entrance by hardworking students, regardless of their family background. Although the fee-paying policy is accompanied by student loans, the financial implications still present a hurdle for rural students, for example, who can no longer enter universities merely by hard work. The symbolic value of education and hence the support for education are at stake.

While diversification of funding is always advisable, the consequences of diversification must be considered with care. Diversification of funding may solve some of the problems of inadequacy but, in the Chinese experience, diversification does not provide an ultimate solution. The degree of diversification in China's higher education is high, but this must be seen in the context of overall inadequacy. The institutions are free to solicit funds from whatever sources available. However, most institutions do not get the funds adequate to cover their expenditures and the net results are miserable salaries, appalling physical environments and low morale. What is happening to higher education in China is, by no means, a rosy picture. Both educators and planners in China are struggling with a great financial crisis in higher education. There is undoubtedly a success in diversifying funding sources, and this is necessary, but diversification alone may not constitute a favourable reform.

The changing role of the state

The core of the entire reform in China during the last decade is a transition from a centrally planned nation to a decentralised, market-driven society. The redefinition of the role of the state is a central theme. The higher education reform, therefore, should shed some light on the issue.

As is rightly pointed out in the World Bank paper (1994:55), there are externalities to higher education which are possibly not covered by non-state investment; the imperfections in the market also require government regulation one way or another. If this is used as a framework to look at the Chinese reform in higher education, then a number of issues emerge.

First, as can be seen above, although the reform in China's higher education has been prompted by reform in the economy, there is little economic consideration in the reform. The underlying thinking is (a) to find income in order to cover expenditures, and (b) to supply manpower in order to meet demand. There is little beyond financial and manpower accounting. Two aspects are lacking in this thinking: forward-looking investment; and improvement in the utilisation of available resources. In other words, little attention is paid to both the external and internal efficiency of the higher education system.

External and internal efficiency

The financial reform has allowed institutions to create new sources of income, and the more established institutions are able to cover their expenditures. However, new resources are often created at the expense of some fundamental responsibilities of the institutions. Departments and disciplines which are unlikely to contribute immediately to the labour market (e.g. philosophy and history) suffer. Other disciplines are vulnerable because of the fluctuation in the market (e.g. law). Research which is unlikely to produce marketable outputs is low or absent on the agenda (e.g. physics and chemistry). What should be essential to China's long-term sustainable development has given way to short-term financial and manpower computations. Unless the state intervenes, this is not going to change. It is impossible for individual institutions to strive for goals which are not supported by the state policy framework. In this respect, the trend of rapid commercialisation of higher education in some of the industrialised countries, the British Commonwealth in particular, does not prove to be helpful.

Internal efficiency is another point at stake. The centralised system, which should, theoretically, provide the highest efficiency in terms of resource utilisation, has created a system which is highly compartmentalised and inefficient. The ministerial self-sufficient systems of higher education contribute to duplication and redundancy. Co-ordination of these ministerial systems has proved difficult because of the financial strings attached to the system. The central government is simply incapable of financing these ministerial systems which are now supported by their own resources. Improvement of the situation would imply a reversion of the decentralisation of the tax system. This, in turn, would imply reduced autonomy in the respective ministerial sectors.

Even within institutions, funds are largely earmarked for specific expenditures. For example, apart from the state appropriation which dictates its usage by strict formulas, there are also stipulations for the deployment of income generated by the institution itself. This has made improvement of internal efficiency difficult because the institutions are given limited discretion in allocating the available resources.

State versus market

Second, the reform has been prompted by the success in introducing market mechanisms in the economy, but the basic philosophy of developing higher education has not matched the change in the economy. In other words, while in other countries, the role of the government is to remedy for the imperfections in the market, the task ahead of the Chinese government is to catch up with the emergence of the market.

To start with, the withdrawal of the state from the role of a central planner is a pragmatic step rather than an intended change in ideology. In order to recover from the chaos in the aftermath of the Cultural Revolution, the reform started with loosening up the collectivity in rural production. Rewarded by economic successes in the rural areas, the reform was gradually extended into other sectors of the economy, with fundamental overhauls of policies of finance, taxation, legislation and administration. It is fair to say that the intended reforms remain in the realm of the economy.

The reform in higher education policies is primarily about finance and employment. There is no intended policy to relax state control in other realms of higher education, particularly in areas which are seen as sensitive to ideological debates. Such areas are in fact essential to the long-term development of the nation and higher education should be expected to be a pioneer. However, in China, higher education policies are still conceived within the boundaries of manpower supply. Goals, like exploration of new thought, are not on the reform agenda. The formal curricula in the social sciences maintain a Marxist outlook and the research agenda remains fairly political. Students' voluntary organisations are still seen as unwanted by the government.

There is, therefore, a basic contradiction in the higher education reform. On the one hand, there is government withdrawal from funding which has led to a relaxation of administrative control and an increase in institutional autonomy. On the other hand, there is no facility to support the academic and ideological autonomy which emerges as a natural consequence of the financial and administrative autonomy. If this is set in an education-society perspective, then, further development of the market economy will soon require higher education to foster the kind of liberal thinking which is appropriate to the economy. This is not realised in the national policy of higher education reform.

Disparity

There are other roles that the state should play that are yet to materialise. One, which is heatedly debated, is the issue of disparity. Disparity in the education system exists for two reasons. One is due to decentralisation and the subsequent reliance on local economy. The disparity in the economy has led to disparity in the incomes of institutions because of the availability of local resources. Inequity is also caused by the traditional philosophy of hierarchical allocation of resources where some institutions have priority because of their past prestige and expected contribution, but not necessarily according to their current performance.

Disparity of the first type poses a dilemma to the central government. The disparity caused by the difference in local economies emerged only after the decentralisation policy came into place. The decentralisation policy has rendered the central government rather powerless because it has little in hand to play an equalisation role[14]. Recent calls for the central government to regain authority over resources have not been received favourably, except by the least developed provinces, because such a move would mean a reduction of local autonomy. In this respect, the intentions of the central government are hampered by its real capacity.

Inequity of the second type is deeply rooted in the tradition that key universities[15] should receive a better share of the national allocations. From an equity perspective, the state perpetuates, and indeed enlarges, the gap between institutions. Such a philosophy is likely to face unprecedented challenges when the market is established and equal opportunity becomes a necessity for fair competition. This is already happening in the case of student financial assistance, which has moved substantially from merit-based scholarships to means-test grants and loans. Nevertheless, the notion of equity is yet to become an item on the policy agenda of higher education in China.

Concluding remarks

In the above discussion, three of the four major issues brought out by the World Bank paper have been addressed. Differentiation of institutions, diversification of funding, and the redefinition of the government's role have been on the Chinese agenda of higher education reform for more than a decade. The fourth issue concerning quality, responsiveness and equity has been analyzed through the discussion of the other themes.

The Chinese reform was formally launched in 1985[16] with little input of international experience and with little adherence to theories developed elsewhere. Much of the reform policies are summaries and re-confirmation of practices which had emerged as effective since the late 1970s. In this context, the echoes from the Chinese reform add to the validity of the World Bank recommendations. Although the long-term effects are yet to be evaluated, the general orientation of the reform has been adopted as a national policy in the recently promulgated *Mission Plan* (1993). Hence, the Chinese reform will continue to provide a test ground for many of the recommendations made in the World Bank paper.

However, the Chinese reform has also indicated some limitations of the World Bank perspectives. First, World Bank recommendations have to be appreciated in context. In the case of China, decentralisation and diversification are very new concepts to a culture which favours uniformity and honours conformity. The reform in China agrees in form with many of the World Bank recommendations, but the causes and results of such reform measures may differ from those in the World Bank analysis. China is also moving out of a planned economy. Many of the basic notions that prevail in other countries, such as equity and efficiency, are not yet part of the policy considerations and may take some time to be established.

Second, China is a vast country. The size of the country has been important to demonstrate how policies cannot be applied uniformly across the whole nation. Much of what is quoted in the World Bank paper about China's reform occurs only in some part of China, or occurs more effectively in some part of China than in others. Decentralisation and diversification have caused some institutions to prosper but have put others in deep crisis.

Third, the reality in China demonstrates that few reform policies bring about absolutely positive results. Almost each and every successful reform in China incurs a cost. The World Bank paper may look much more convincing if the *cons* are given some weight vis-à-vis the *pros*. If the World Bank paper were to have a useful impact on higher education around the world, then, it is not sufficient to relate to the strengths of the reform recommendations. Serious decision-makers will only adopt a policy when they have realised and balanced both the strengths and the weaknesses of the proposal.

Notes

1. This does not include self-study examination to be discussed below.

2. Figures are all for 1993 and from *Zhongguo Jiaoyu Bao (China Education Daily)*, March 19, 1994.

3. This is a crude picture as the system has become very diversified since the mid-1980s.

4. Workers' colleges are higher education institutions operated by factories or enterprises.

5. These are now being renamed Institutes of Administration because the notion of 'cadre' is now being replaced by that of 'civil servant'.

6. This is a kind of sabbatical commonly available for employees, particularly in the public sector.

7. In this mode, the employing unit provides day-release or half-day release for employees to pursue studies. The release is either for self-study or for attending lectures and sometimes for watching television broadcasts.

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8. The issues under constant debate are: (a) whether or not unit recommendation is necessary for enrolment; (b) whether or not adult eduction graduates should be eligible for promotion and job change; and (c) whether or not degrees should be conferred to adult higher education graduates.

9. *Zhongguo Jiaoyu Bao (China Education Daily)*, March 19, 1994.

10. Self-sufficient to the extent, for example, that the Railway Ministry operates its own medical universities in order to train medical doctors for its own department.

11. This is mentioned in the World Bank paper (1994:41).

12. The writer is grateful to Professor Hu Reiwen, Director of the Shanghai Institute for Human Resources Development for providing the estimates.

13. See detailed discussion in Cheng 1994: Chapter 10.

14. It is estimated that the central government receives no more than 20% of the total revenues collected by all levels of governments. Starting from 1994, the central government moves to regain up to 40% of the total revenues. The success of such a move is yet to be seen.

15. Key universities were identified by the government at various times of history. There were 98 officially nominated by 1981 (Liu 1993:1174-77). These universities received priority allocation in both resources and personnel, and also preferential treatment in all other related policies. Since 1981, there has been no official list, but the term key universities is maintained as a concept applying to different institutions at different times according to different emphases. The most recent endeavour is *Project 211* which is to preferentially develop 100 'best' higher education institutions by the 21st century.

16. The formal launching of the comprehensive educational reform was marked by a Decision by the Central Committee of the Communist Party (*Decision*, 1985).

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Equity, access and excellence in South African higher education

Pundy Pillay

Introduction

The recent World Bank publication *Higher Education: The Lessons of Experience* commences by highlighting the important role of higher education in human resource development, economic growth and social and economic development. Thus it is stated:

> "Higher education contributes to human resource development in many ways. Investment in higher education can be a key contributor to a country's economic growth. Higher education institutions have the main responsibility for training a country's professional personnel, including the managers, scientists, engineers, and technicians who participate in the development, adaptation, and diffusion of innovations in the economy. Such institutions should create new knowledge through research and advanced training and serve as a conduit for its transfer, adaptation, and dissemination ... In most countries, higher education also plays important social roles by forging the national identity of the country and offering a forum for pluralistic debate. The development of higher education is correlated with economic development" (World Bank 1994:15).

In South Africa the value of investment in higher education has been recognised nationally and is evident in the growing social demand for access to institutions of higher education. However, as with education in general, the political economy of higher education has been shaped by power relations amongst different groups in society. Issues of access, equity, efficiency and success have been fundamentally determined by this distribution of political power amongst groups in South African society.

The education system has been, and still is, deeply racist both in ideological terms and in terms of the way the state provides for education. The higher education sector is not an all-embracing system nor can it be called a structure. On the contrary, it is highly fragmented and disjointed. As a consequence, the distinguishing features of the crisis which the World Bank has identified in the higher education systems of developing countries are almost all to be found in South Africa, namely problems of inequality of access, poor quality of outcomes, internal and external inefficiency and resource constraints.

This paper focuses on the three main types of institutions in the higher education sector: universities, technikons and colleges of education which are responsible for teacher education. It documents some features of the current system relating specifically to access, equity, quality, efficiency and financing. It finally suggests some future policy directions which would effectively address problems of inequality and inefficiency in the higher education system and discusses the relevance of the World Bank reform areas for the South African situation.

Some features of the current system of provision in higher education

Starting with the Bantu Education Act of 1953 and the Extension of University Education Act of 1959 all education was officially and legally divided along racial/ethnic lines. The effects of these acts was to systematically exclude the majority of African students from high-quality academic education and technical training. One of the legacies of this policy is a collection of historically segregated higher education institutions[1].

The 21 universities can be grouped into four categories: 4 historically white English-medium ('liberal') universities; 5 historically white Afrikaans-medium universities; 10 'ethnic' black universities; and 2 bilingual universities one of which is the massive correspondence institution, the University of South Africa (UNISA), and the other the historically white institution, the University of Port Elizabeth.

Similarly, the technikons which are institutions for advanced technical education can be grouped into three categories: 7 historically white institutions, 7 historically for blacks, and 1 all-race correspondence institution. Likewise the nearly 100 colleges of education responsible for teacher education were created to cater for specific racial groups within each of the country's 15 departments of education in the apartheid era.

During the 1980s and 1990s, as apartheid structures in higher education were being liberalised, institutions were in theory free to admit whom they chose. However this choice was constrained by the inability of the secondary education system to provide equal opportunities to higher education aspirants. The apartheid system enforced a racially segregated school system which was clearly inferior for blacks. Thus the distribution of students in the universities and technikons shows a typically skewed pattern in favour of whites. In 1985, for instance, 64% of all university students were white, 22% were African, 8% were Indian and 6% coloured (DNE 1993).

Despite rapid enrolment growth amongst Africans, there are still serious racial disparities in enrolment at universities and technikons. In 1993 African students comprised only 44% of the enrolment at universities and 31% of the enrolment in technikons. Women comprised 50% of the enrolment in universities but only 30% of the enrolment in technikons. African students comprise the overwhelming majority in the colleges of education (80% in 1993) just as women constitute a substantial proportion (66%). These figures should be seen against Africans comprising approximately 70% and women 53% of the total population (DNE 1993).

The implementation by the apartheid government of its education model led to a situation of divided and unequal control as far as education institutions were concerned. The department that was established to serve the interests of the white group in 1991 had control of 18% of schools, 20% of teacher training colleges, 53% of technical colleges, 65% of universities and 75% of technikons (DNE 1993). This picture of divided and unequal control is exacerbated when student enrolments are taken into account. For example, the department that has statutory responsibility for the education of whites in 1991 controlled only 13% of school places in South Africa - a proportion in line with the share which whites have in the total population of the country. However, it controlled 85% of the places in technikons, 78% of the places in universities, and 71% of the places in technical colleges (NEPI 1992:15).

Various indicators clearly show that access to higher education is unequal as indicated in Table 1.

Table 1: *Indicators of access to higher education (HE) institutions, 1991*

Population group	Total enrolment per 1,000 of population	University enrolments per 1,000 of population	Total HE enrolments as proportion of 18-22 age group
White	51	35	60%
Coloured	13	7	11%
Indian	35	25	33%
African	9	6	9%
Average	18	12	17%

Source: NEPI 1992.

Universities

In 1990, 302,041 students were enrolled in South African universities. This number represented nearly two thirds of the enrolment in the tertiary education sector. Approximately half of the students enrolled at universities were white and about one third were African. Excluding the two primarily part-time distance education institutions (UNISA and Vista), the enrolment of essentially full-time students was 169,207 (USAID 1992).

Many critics of the higher education system claim that there are too many students enrolled in universities and not enough in other types of higher education institutions. Comparisons with other nations, however, suggest that the number of students enrolled in South African universities might be somewhat low to satisfy future needs of the country. World Bank statistics show that South Africa enrols about 9 students per 1,000 population in higher education (USAID 1992) Internationally, the industrialised countries enrol an average of 18 per 1,000, upper middle-income countries enrol an average of 12.5, lower middle-income countries an average of 8.4 and low-income countries an average of 1.2 (USAID 1992). The South African average is in the lower middle range, just as countries like Botswana, Colombia, Egypt, Jamaica and Thailand.

Although total enrolment in higher education may be comparable to other countries, the participation of its citizens by race is inequitable. Whereas there were 30.9 white university students per 1,000 of population at the end of the 1980s, there were only 2.6 Africans (USAID 1992). This puts the participation rate of the African population at the level of low-income countries.

The university sub-sector features considerable disparities in size. With one exception, the black universities are considerably smaller than their white counterparts. The white universities' average enrolment is over 12,000. The average enrolment at the black universities is about 6,000. However, if present growth trends continue, the disparities in size between black and white institutions are likely to lessen. In general, the historically black universities are expanding their student enrolments swiftly.

Historical inequities and recent patterns of expansion are reflected in the pronounced inequalities between institutions in academic staff: student ratios. In general, these correlate with divisions within the sub-sector: historically white universities tend to have smaller staff: student ratios than the predominantly black institutions.

Another important higher education issue in South Africa is where African students are being educated. Of the 112,202 African students in 1990, less than 1% were at Afrikaans universities, 6% were enrolled at the English-medium institutions, 24% were enrolled at Vista, 43% were registered with Unisa, and the remaining 26% were enrolled at the historically black universities. Excluding Unisa and Vista, there were 44,632 African students in 1990; 84% of them were at the historically black universities (USAID 1992).

The Afrikaans universities have made minimal progress in diversifying their enrolments by race, thus tying up a large proportion of state support for higher education in institutions that are unavailable to 75% of the population. Since 1984, the open English medium universities, however, have taken a number of steps to increase the enrolment of Africans.

While the English-medium universities have opened their doors to African students, in many ways they are revolving doors. In 1991, for example, 24% of newly admitted students at Wits were African, at Cape Town the proportion was

27% and at Natal it was 36%. Unfortunately the failure rate of these students has been high.

A further major inequality in the university system is that approximately 80% of black university students are registered at two institutions which specialise in distance or part-time studies and in the upgrading of teacher qualifications (UNISA and Vista). Fewer than 15,000 black students were registered at other residential institutions in that year.

The major cause of these inequalities in access to universities can be found in the socio-political circumstances and in particular in the unfavourable schooling offered to blacks. Other factors that have generated these inequalities have been economic ones, and the language and admissions policies of universities:

- Black applicants and students from economically deprived backgrounds have generally not been able to afford the fees charged by historically white universities. Black students at these universities have often struggled to maintain their registrations under increasingly heavy debt burdens.

- The admissions policies of all but a few historically white universities have tended to be based on requirements that successful applicants achieve a certain level of performance in their matric or school-leaving examinations. This has led to the competition for places at these universities being inherently unfair as applicants from disadvantaged black schools have not been able to compete on an equal footing with applicants from privileged white schools. While some historically white universities have introduced compensatory education programmes to help educationally disadvantaged students to cope at these institutions, access is limited to only a small proportion of African school leavers.
- The use of Afrikaans as a medium of instruction by the majority of the historically white residential universities has effectively resulted in the fact that the approximately 70,000 student places available at these universities have been inaccessible to the majority of black school leavers.

- The vast majority of black applicants who complete their schooling in English and who wish to study full time in the historically white universities are, in effect, able to compete only for the approximately 50,000 places available in the residential universities whose sole medium of instruction is English. This has added to the problems of uneven access to universities in South Africa.

- Most of the historically white English-medium universities have language requirements that affect the admission of black applicants. Applicants are required to display a competency in English which is normally determined by the subject symbol they achieved for English in the standard 10 or matric exams.

- Poor school results in mathematics also have an effect on the admission of blacks to universities and technikons. Their failure to achieve a prescribed minimum in mathematics at matric level prevents many black applicants from gaining admission to faculties of science, engineering, medicine, agriculture, and commerce. If they are admitted at all to the more 'prestigious' universities, most black applicants have to enter 'non-professional' degree programmes in the social sciences and arts.

Technikons

As far as the technikons are concerned, problems of uneven access exist which are more serious than those facing universities. In 1991, 85% of places at technikons were under the control of the education department established to serve primarily the interests of whites. Furthermore, in 1991, 62% of students enrolled in technikons were white and only 23% were black (DNE 1993). These proportions are totally out of line with the proportions which these two groups have of the total population of South Africa.

A further major inequality facing blacks in the technikon system is that their access to the dominant historically white technikons has been severely restricted. Those technikons that are based in the main urban and hence major population centres have been able to admit very few black students. Only 5% of black technikon students were registered at the historically white technikons in 1990. Moreover, gender inequalities are more serious than at universities. In 1991 female enrolment at universities comprised 48% of total enrolment while at the technikons this figure was only 29% (DNE 1993).

Of the 84,364 technikon students registered in 1990, 21% were African, 8% coloured and 7% Indian. The racial composition of enrolments is also significantly imbalanced considering the number of technikon students per 1,000 of the population: whites 10; Indians 6; coloureds 2; and Africans 0.5 (USAID 1992).

The accessibility of technikon education to Africans is hampered by the poor quality of their secondary education throughout the country. Their high failure rate has given rise to preparatory, bridging, and academic support programmes whose form and content vary among the institutions. In general they are meant to expose students to maths, science and communication so that they can cope with the demands of the technikon courses.

While technikons were established in order to increase South Africa's middle- and high-level technological human resources, the majority of students are choosing programmes in business, education, arts and management. One reason is that in the country's declining economy, employers are no longer offering training positions requiring technikon preparation. The average enrolment for white, coloured and Indian students is 15% in engineering compared to 60% in the humanities. African students have a more even spread across the disciplines:

39% in the humanities, 35% in the sciences, and 26% in engineering (USAID 1992).

Teacher training colleges

Teachers are trained in colleges of education, in universities, and in technikons. Most primary and some secondary teachers are trained in the colleges. Universities educate most of the secondary teachers and a small number of the primary. Nearly all secondary teachers of vocational subjects are trained in technikons, and a small and diminishing number of colleges are devoted to the training of black technical teachers.

Access to teacher training colleges appears not to be as uneven as access to universities and technikons. In 1991, for example, only 16% of students in teacher training colleges were white (compared to proportions of 51% for universities and 62% for technikons), and 66% black (compared to proportions of 36% for universities and 23% for technikons) (USAID 1992). But because of the degree of racial segregation that exists in teacher training colleges, equal education opportunities for teacher training of quality clearly do not exist in South Africa. With a few exceptions, teacher training students in 1991 were admitted only to the colleges established to serve the interests of their particular population group.

Growth and composition of enrolment in higher education

Enrolments in higher education institutions grew rapidly during the late 1980s and early 1990s as can be seen in Table 2.

Table 2: *Head count enrolments 1986-1991*

	Technikons	Universities	Teacher training colleges	Total
1986	44,945	233,625	41,239	319,809
1991	104,652	308,172	54,138	466,962
Av. annual increase	+ 18.4%	+ 5.7%	+ 5.6%	+ 7.9%

Source: NEPI 1992.

The main source of this growth has been African students. African enrolments at higher education institutions more than doubled from about 72,000 in 1986 to 170,000 in 1991, an average annual growth rate of 18.7%. White enrolments increased from 198,000 in 1986 to 231,000 in 1991, an average annual increase of 3%. By the year 2000, the number of African high school matriculants (the minimum required for admission to higher education) is expected to double and African enrolments are expected to reach 225,000, an increase of 115,000 over 1990 (6% per year). Enrolments of other students will increase at a more modest rate of approximately 1.5% per year, adding a total of 30,000 students by the turn of the century (USAID 1992).

Over 70% of African university students are either in the arts or social science faculty or in education. The corresponding figure for whites is 34%. In 1991, 5% of African students were in commerce (whites 17%), 0.6% were in engineering (whites 6%), 0.1% in architecture (whites 2.1%) and 5% in science (whites 11%) (USAID 1992). In all, only about 9% of students in universities intend to major in one of the three categories of life and social sciences, mathematical sciences and engineering. This proportion can be compared to the 18% who intend to major in psychology and the social sciences (USAID 1992).

As stated earlier, it is commonly and erroneously believed that the majority of students at technikons are studying science and technology. In fact, only about 50% of the technikon effort is in life and physical sciences, mathematics, computing, and engineering (NEPI 1992). The technikons have expanded rapidly and cost significantly less per student than the universities, but most of the expansion in recent years has not been in the field of technology.

In summary, there is a gross lack of coordination as far as education in science and technology is concerned in the post-school formal education sector. There is neither articulation, nor a proper balance between training at various levels. The quality is inadequate, and it is even more profoundly racially discriminatory in its outcomes than education outside of science and technology.

Financing of higher education

Public resources for education, especially African school education, increased dramatically during the 1980s and 1990s. However, state funding of universities and technikons has declined in recent years primarily because of the desire on the part of the government to divert resources to school education but also because of the economically austere conditions prevailing in the country during the 1990s.

Nevertheless, the government is the major provider of funds for all the institutions of higher education. In the case of the colleges of education, grants have been provided from the budgets of the respective education departments. Universities and technikons have been funded in accordance with a subsidy formula. Universities and technikons receive between approximately 50% and 60% of their income from the state (USAID 1992). They also derive a proportion of their funding from other sources, primarily tuition fees, investments, private donations and research contracts. However, the ability of individual institutions to derive funds from non-governmental sources varies considerably.

The South African education budget increased from R 5.1 billion in 1985 to R 30 billion in 1994[2]. As a proportion of total government expenditure, education expenditure increased from 16% in 1985 to 22% in 1994; as a proportion of the gross domestic product (GDP), education expenditure increased from 4.2% in 1985 to approximately 7% in 1994 (USAID 1992; Ministry of Education 1994a).

In 1990, higher education expenditure, i.e., on technikons, universities and colleges of education was approximately R 2.35 bn or 19.6% of the education budget. In 1975 this proportion was approximately 23% (USAID 1992). Furthermore, the proportion of the education budget allocated to higher education is significantly lower than that allocated in most other upper middle-income countries. The fact that this proportion has been declining consistently since 1975 has serious implications for the development of skills and for national economic growth.

The subsidy formula on which government financing of universities and technikons has been based has tended to perpetuate inequalities between the historically white and historically black institutions. The formula tends to favour the predominantly white institutions because of their higher success rates, superior publishing record and higher proportion of post-graduate students. Thus, the subsidy formula was used by the minority government to channel funds to predominantly white institutions at the expense of the black institutions. In addition, a considerable proportion of higher education subsidies is going to middle and upper-income families, most of whom are white.

Because the formula does not reward growth, the growth institutions, mainly black, have been affected critically. The established historically white universities have been affected as well, particularly their leading sectors (engineering, science, medicine), which have not been adequately compensated in the formula.

The structuring of the subsidy formula also has other serious equity implications. Given that many black students are in what are regarded by the state as high risk categories, the subsidy functions to discourage enrolment of black students at historically white universities. Furthermore, the state does not fund compensatory academic support or academic development programmes established at these institutions to help the educationally disadvantaged cope with the requirements of higher education.

In the face of diminishing public resources, institutions increasingly have had to generate alternative sources of revenue. However, their capacity to do this varies considerably. The historically black institutions, with fewer private donations and research contracts and lower investment income, have had to increase tuition fees substantially.

In summary, diminishing state resources have meant that expenditures for most institutions have been decreasing in real terms since 1988. Again, the historically black institutions have been affected more seriously. Because the historically white institutions have an established infrastructure, their capital expenditure needs are less urgent. In the face of declining public resources, they have been able to shift resources from capital expenditure budgets to their educational programmes so that the latter do not suffer. The historically black institutions are in a much worse position. Lacking basic infrastructure and staff and/or having debt for recent capital expenditure, they do not have the ability to reallocate resources to their educational programmes. For these institutions, the choice is how to allocate diminishing resources to ensure that overall development continues. This has undoubtedly affected their efficiency as reflected in the quality of output as well as in their ability to offer increased access to a larger proportion of the socio-economically disadvantaged population.

In the case of the colleges of education, the racially segregated nature of these institutions has resulted in the inequitable allocation of resources. In terms of allocated resources, African students have been considerably worse off than students of other races.

Efficiency of higher education institutions

It is well known that the implementation of a racially defined education system has led to the inefficient allocation and usage of scarce public resources at all levels of higher education. Three indices of efficiency are readily distinguishable: capacity utilisation, internal efficiency and external efficiency. Internal efficiency is loosely defined as a measure of the cost-effectiveness of the system with reference to its output. External efficiency refers to the ability of the education system to meet the needs of economic and broader human development.

Educational efficiency has been hindered partly because of the allocation of resources for the establishment of institutions, mainly universities, in the former bantu homelands when the expansion of existing institutions would have been the more prudent policy.

The historically white institutions have refused to enrol larger numbers of socio-economically disadvantaged students, ostensibly on the grounds of limited resources and poor secondary school education of these applicants. In some cases, especially in the Afrikaans universities, the intent has often been to maintain the uni-racial character of these institutions. Therefore their growth rate has been slower than the rate of the historically black institutions and disproportionate to the number of eligible higher education students. Teacher training has been particularly stunted by the under-utilisation of the white colleges of education due to falling enrolments and the refusal of the state to allow entry to other races.

Internal inefficiency in the historically black institutions as reflected in measures of success and cost effectiveness is largely the consequence of a racially based education system. A large proportion of the intake in these institutions are students who have received qualitatively deficient school education. The combination of poor student quality, inadequate and poor staff, and lack of facilities has resulted in high drop-out and repetition rates. Moreover, these factors have contributed to the low cost-effectiveness of many of the scientific and technical faculties at the historically black institutions.

Internal inefficiency, however, is not limited to the historically black institutions. Several predominantly white technikons are characterised by relatively high failure rates of first-time entering students and high unit costs. The internal inefficiency of the University of South Africa is of particular concern, especially as distance education is the only avenue of higher education for a large proportion of the black population. Although its unit costs are low, other efficiency measures, such as the failure rates of first-time entering students, reflect a high degree of internal inefficiency.

The external efficiency of an education system is its ability to meet the skills needs of a country for economic and broader human development. The persistence of skills shortages and the underdevelopment of black high-level personpower raise questions about the effectiveness of the higher education system in producing the skills essential for development.

While the magnitude of the skills shortage is a subject of debate among academics, business people and policy makers, there is little doubt that critical skills deficiencies exist in certain areas. Serious shortages have been identified in engineering, accounting, and managerial positions in high-level and middle-level occupations. Artisans and various categories of technicians also seem to be in short supply. The skills shortage debate, however, goes beyond the needs of economic development. Large numbers of skilled persons are needed to raise the population's quality of life, particularly doctors, nurses and teachers.

Higher education institutions are expected to produce a significant number of graduates to meet the country's medium- and high-level skills requirements. In South Africa too, few students are enrolled in technikons, and too many students are enrolled in the arts and humanities in universities. The percentage of university students majoring in the sciences, maths and engineering has been decreasing in recent years: in engineering from 8% in the early 1980s to 4% today, in the physical sciences from 15% to 10%, and in medicine from 8% to 5% (USAID 1992).

As described earlier, black students encounter a number of barriers to participating in higher education. In the case of professional fields, the barriers are even higher. Many of these fields require higher scores on the matric exam, a solid background in maths and science, and a good grasp of English. Due to the deficient education received by Africans and coloured people, most do not have the background to complete a programme of specialised studies without considerable assistance. Few Africans complete courses of study in such areas as engineering, computer science, natural sciences, health sciences and commerce.

Future policy directions

In designing a more equitable, non-racist, non-sexist higher education system the new government will need to consider, inter alia, the following issues: its own role in higher education; administration and governance; planning; accountability; financing; flexibility of and articulation between institutions; curriculum development; access; institutional inequalities; and the shape and size of the higher education system.

The role of government in higher education

Consideration needs to be given to the precise role of government in higher education. In the interim constitution, the techikons and the universities are the responsibility of the central government and the teacher training colleges fall under the control of the provinces. An important question is whether the government should do more than provide financial resources and formulate broad policies for the provision of education. The precise relationship between higher education institutions and the government needs to be carefully defined with respect to academic freedom and autonomy in institutional governance.

Administration and governance

The ideal model for the administration of higher education needs to be devised by comparing the relative merits of centralised and decentralised structures of control. Also, the roles of such statutory advisory bodies as the Committee of University Principals (CUP) and the Committee of Technikon Principals (CTP) need to be reassessed in the light of the historical dominance of the predominantly white institutions.

Higher education planning

Goals of education and educational planning were closely tied to the minority government's policy of separate development and the inequitable distribution of financial, material and human resources throughout the educational system. The inadequacy of the education system has been one of the most explosive issues in South African politics over the past two decades. Appropriate planning and policy capacities need to be created in the higher education system both nationally and in individual institutions.

Accountability

There will be immense pressure on the higher education institutions to be accountable to their various constituencies, particularly funders, of whom the principal one is the government, but also to students, parents, the community which the institution serves, and employers of the graduates from the higher education institutions. Consideration needs to be given to the creation of effective mechanisms for satisfying these accountability requirements.

Financing

There is little doubt that the government will continue to be the major funder of higher education institutions. Important questions that need to be resolved are the availability of public funds for higher education and the mechanism for allocating funds to institutions so that the anomalies and inequalities of the past are lessened, if not eliminated completely.

Flexibility of and articulation within the higher education system

South Africa at present has a 'trinary' higher education system comprising universities, technikons, and colleges each with its specific functions relating to teaching and/or research and each with its own hierarchy of qualifications. The system is exceptionally rigid with an almost complete lack of mobility amongst the sub-sectors. The current control and management of institutions are located either at the national level or, in the case of autonomous institutions, at the local level. The structure does not promote any form of interaction between the sub-sectors.

The interrelationships between the various elements of the system need to be clarified to ensure a satisfactory level of articulation, as well as mobility of students amongst the different levels.

Vital questions are being asked also about the role of higher education institutions. For example, should a group of institutions (the universities) be given functions that emphasise basic research and another group of institutions (the technikons) functions that emphasise development research?

Curriculum development

The aims of the higher education system with respect to educating students have to be spelled out clearly, particularly the linkages between the higher education system and the needs of the labour market. This will necessarily have an impact on the nature of the total curriculum offered to students in a higher education system.

Access

Redressing inequalities in access to higher education may well require policies of affirmative action. This raises important questions relating to admissions criteria, alternative admissions policies, and support programmes for students from educationally disadvantaged backgrounds.

Institutional inequalities

Strategies need to be formulated to reduce and eventually eliminate the inequalities in the distribution of financial, human and physical resources between institutions. Particular attention needs to be paid to the staffing inequalities, particularly to the creation of equal opportunities for blacks and women.

Shape and size of the higher education system

A central issue facing policy makers is the shape and size of the higher education system. Specific issues that need to be considered here are the following: the desirable proportion of the typical higher education age group (18-22 years) that should be provided for; the mechanisms for distributing the required number of post-secondary places between different types of institution; the proportion of the total number of post-secondary places that should be set aside for undergraduate as opposed to post-graduate studies; and the distribution of enrolments between disciplines.

The Minister of National Education in the Government of National Unity is soon to appoint a National Commission of Higher Education which will undoubtedly examine most, if not all, of the issues listed above. It is expected to complete its investigation into the restructuring of the higher education system and table its recommendations by the end of 1995. A few policy options that have been suggested to address the serious problems of access, equity and quality in higher education will be outlined in the following.

Policy options to enhance access and equity

The National Education Policy Investigation (NEPI 1992:97-102) identified three policy options to stimulate access: an 'equal access for all' option, a 'modified equal access' option, and an 'equal opportunities' option.

The equal access for all option assumes that access to higher education is a right of all citizens. All who wish to enter a particular kind of higher education institution and who qualify in terms of democratically approved criteria must be admitted to some or other institution of that kind.

These 'democratically approved criteria' could be national 'academic' criteria (based on school-leaving exams) together with affirmative action criteria. Different combinations of criteria could be set for different higher education sectors.

The higher education system would have to admit all who are capable of succeeding and who have the desire to enter a higher education institution. Total enrolment under this scenario would be 1.6 million compared to the 470,000 enrolled in higher education in 1991 (NEPI 1992). The major obstacle to the implementation of this option would be the associated major financial implications. This option is thus obviously impractical given the current fiscal constraints under which the education system, in general, and the higher education sector, in particular, are operating.

A modified equal access option also assumes that access to higher education is a right of all citizens. However, it specifies that while all who qualify are guaranteed admission to a higher education institution, they are not guaranteed admission to the higher education sector of their choice. The only guarantee that those who qualify have is that they will be admitted to a higher education sector. The total higher education enrolment under this option would also be 1.6 million as under the first option. However, the distribution of students through the system would be different.

Acceptance of this option raises a major issue relating to equity; namely how is equity to be achieved in a system when access to some sectors in the system is limited? In an 'open access' system such as this, it is likely that more students will want to gain admission to residential universities or technikons than to college or distance-learning institutions. Places at these institutions will become scarce resources and mechanisms to ensure that the competition for these places is fair will have to be introduced.

An equal opportunities option is based on the assumption that access to higher education is not a right. It assumes rather that all citizens have a right to compete on equal terms for a higher education place; that a government must ensure that equal opportunities to gain access to a higher education institution exist. If equal opportunities do not exist then government must take steps to make the competition for this scarce resource a fair one. This strategy clearly implies that equity of access would have to be promoted through affirmative action programmes.

This equal-opportunities option would permit a ministry of education to set participation rate targets which would fall within constraints set by available financial resources and by the socio-economic needs of the country. The financial implications of introducing this option would not be as serious as those involved in the two 'open access' options but they would still be considerable.

Policy options to enhance equity in institutional and student financing

Major problems are being encountered with respect to both institutional and student financing in the higher education sector. These problems are due fundamentally to the general economic crisis, the government's priorities in funding the school sector and other development initiatives, such as adult basic education and early childhood education and the competing sectoral demands for public resources, for example in health, water provision and job creation.

The financial problems experienced by black students and by black applicants from deprived socio-economic backgrounds constitute major barriers to equitable access. Many black applicants are prevented from entering higher education institutions because they are not able to pay the high tuition and residence fees. Substantial numbers of black students have to drop out of higher education institutions each year because they are not able to meet their fee commitments. If equality of access is to exist then no qualified applicant and no student who is in good academic standing should be prevented on financial grounds alone from starting or continuing his/her studies.

Urgent steps need to be taken to reform the financing structure of higher education so that a greater proportion of the public higher education budget can be directed towards individuals from socio-economically disadvantaged backgrounds and to ensure that tuition fees are based on ability to pay. It is expected also that one of the first recommendations of the National Higher Education Commission will be the development and implementation of a national bursary and loan scheme which may be based on partnership funding between the government and local and international donors.

Policy options to enhance quality and excellence in higher education

The problems of unequal access to higher education do not end with the admission of disadvantaged students to higher education institutions. If high quality of outcomes is a goal of the higher education system, then the widescale implementation of adequately-funded academic development programmes is essential for the success of students coming from education backgrounds which leave them hopelessly underprepared for higher education.

The overall shape of the higher education system could depend on which of two options is adopted. The first of these is a 'demand-driven option' and the second a 'centrally-planned option' (NEPI 1992:106-110). A constrained demand-driven option is in effect the current policy. The fields or programmes offered by higher education are determined partly by the various institutions' perceptions of their own needs, of the needs of the world of work and of the needs of the general public interest. They will be determined in part also by the choices and demands of the students.

Having a large higher education system with a shape of this kind would clearly cause problems. The major problem would be employability of students given the relatively large output of arts and social science graduates currently emerging from the higher education system.

In the centrally planned option, consideration will need to be given to the financial resources which are available for higher education, the overall human resource needs of a developing economy, the need to achieve equity in the distribution of the resources of the society and the ability of the higher education system to deal with the issue of human resource development and of equity.

In South Africa's current circumstances a tension exists between access, quality and development. This tension is reflected clearly in the divergent admissions policies of the historically white and the historically black institutions of higher education. In the face of diminishing public resources, the historically white institutions have curtailed undergraduate enrolment to maintain quality of output. This policy has been adopted mainly to ensure that their relatively lower staff: student ratios are maintained. This policy has without doubt had a negative impact on equity of access for the majority of students from educationally disadvantaged backgrounds. The historically black institutions, on the other hand, under pressure from their black constituency, have had to embark on a policy of growth in spite of the fiscal constraints. In many cases, they have addressed the issues of access but with numerous negative consequences for programmes of academic development and hence quality of outcomes

NEPI has again suggested three ways in which these tensions between access, quality and development could be balanced (NEPI 1992:115-117):

1. Access and development

   In this option, emphasis is placed on the need to balance access with the scientific and technological requirements of a developing economy. This option could be linked to the centrally-planned option which assumes that the need to achieve equity of access to higher education has to be counterbalanced by the overall human resource needs of a developing economy. The demands of equity of access would have to be met either through an equal opportunity policy, with accompanying mechanisms of affirmative action and of redress, or through a modified equal access policy. The demands of development would be met by linking the inputs and outputs of the higher education system to an overall human resources development plan.

   This option places no emphasis on issues concerned with the 'quality' of the higher education system. This option assumes that the system would reach its required level of quality through an interaction between the needs of access and those of development. If the quality of the system is held to be 'poor', then development needs would not be met.

2. Access and quality

   This option places most emphasis on the need to balance the demands of equity of access with the need for the higher education system to meet acceptable 'quality standards'. Equity of access again may require the implementation of at least some redress and affirmative action mechanisms. The need to ensure quality may require institutions to concentrate on what they 'do best'. Consequences may be that institutions will probably not be able to implement a national science and technology plan, and that current inequalities between institutions will persist.

No direct emphasis is placed on development in this option. It assumes development must occur when a higher education system of high quality is created.

3. Quality and development
   This option, like the previous one, places most emphasis on the need for the higher education system to meet acceptable 'quality standards'. But it recognises the need for the higher education system to contribute to South Africa's development by providing the required scientific and technological base. So, according to this option, the higher education system must become the one which insists on quality and gives a high priority to science, technology, and the country's capacity for technology transfer. This option places no direct emphasis on access. It assumes that higher education institutions, while striving to maintain quality, will adopt equal opportunity mechanisms.

Conclusion

Higher education occupies a critical and highly visible place in the efforts to achieve equality and further economic and social development. Such issues as the financing of, access to and success in higher education raise interrelated and important questions of equity, of allocative efficiency in the investment of human resources, of freedom of choice, and of the pursuit of educational excellence. There is a greatly expressed desire by the previously disenfranchised to participate in higher education in South Africa. This desire is closely linked to a concern for greater black representation in skilled occupations and ultimately in positions of greater influence.

The manifestations of the higher education crisis which the World Bank (1994) identified in developing countries, namely declining government funding and per capita student expenditure, expanding enrolments, under-representation of women in scientific disciplines and the inefficient use of resources are all present in the South African higher education system in varying degrees of intensity. There are, moreover, in the South African situation serious problems of racial equity in access to and success in higher education.

The World Bank document recommends a series of reforms which relate to increased diversification of and privatisation of institutions, more efficient use of resources, and a generally reduced role for government in the sector. The relevance of these suggested reforms for the South African situation varies. The recommendations for greater diversification of institutions is not valid given the differentiated structure of higher education institutions although, as reflected in this paper, consideration needs to be given to their specific roles and the lack of mobility between them. Similarly, the recommendations regarding autonomy are inappropriate given the freedom that universities and technikons have in terms of governance, curriculum and admission. The policy proposals relating to greater diversification of higher education funding, the need to support economically disadvantaged students and to increase institutional efficiency are undoubtedly important and relevant in the South African context.

The most controversial proposals relate to privatisation and a reduced role for government in higher education. At the current stage of its history, there is little doubt that privatisation of higher education institutions would be unacceptable both to government and to the majority of South Africans for the reason that it could lead to greater inequity in access to good quality higher education between the affluent, mainly white, population and the less affluent black majority. Similarly, there have been calls for greater, not less, involvement of government in higher education to promote both equity and efficiency. It has been argued in some contexts that the relative autonomy that universities and technikons enjoy has been detrimental in determining access for large numbers of black South Africans, especially to the historically white institutions.

The South African government will not be able to carry the financial responsibility for the costs of reconstructing the higher education sector. For reasons which relate primarily to the economic crisis, the commitment to fiscal discipline, and competing sectoral demands from, *inter alia*, housing, job creation and water provision as well a from the school sector, the government and in particular the Ministry of Education will need to seek the assistance of the international donor community.

The request for funds will be based on a desire to ensure that the implementation of important development initiatives in the higher education sector will not be hamstrung by a sluggish economy. Non-governmental funding for the education and training sector is moreover essential to ensure that the national commitment to the human and resource development programme is maintained and the necessary skills are developed in the country to boost economic growth and development. Probably the most urgent funding need in the higher education sector is the provision of 'seed money' for the establishment of a national Loan and Grant Scheme and an Education Bank to coordinate non-governmental funding of the higher education sector.

South Africa will require its higher education system to play a major role in the development of skills for socio-economic development of the country. To do this, the higher education system will have to produce an appropriate mix of graduates of high quality. In order to promote access, equity and excellence, the higher education system has to be reconstructed to take account of the following principles: the development of a correct balance between the demands of access, quality and development; increased scope for student mobility across sub-sectors; increased academic development programmes for students entering the higher education system from educationally disadvantaged backgrounds; the development of non-racist, non-sexist, democratic but efficient structures of institutional governance; and the development of financing mechanisms that promote equity and efficiency.

Notes

1. Given that race is a predominant factor in determining access to and success within the South African education system, it is impossible to describe the evolution of the higher education system without reference to the various race or population groups. In this paper the term Africans refers to those individuals indigenous to the African continent; whites refers to individuals of European descent; Indians refers to those individuals whose ancestry lies in the Indian sub-continent and coloureds refers to people of mixed-race descent. The term blacks refers collectively to groups disenfranchised during the apartheid era, namely Africans, coloureds and Indians.

2. The exchange rate at the time of writing this paper (November 1994) was USD 1 = R 3.50.

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Other policy and practice in aid to higher education

The power of knowledge: a comparison of two international policy papers on higher education

Berit Olsson

Introduction

This volume is printed when we are about to celebrate the 50th anniversary of the end of the Second World War. It is also the 50th birthday of the United Nations, the global organisation for cooperation established to redress global imbalances and create conditions for peace. We shall have witnessed half a century of development decades mobilising aid by the more developed countries to assist the less fortunate ones in their efforts to catch up. Many bold schemes have been planned with goals linked to the end of the century, Education for All and Health for All by the Year 2000, to mention only a few.

Until the 1970's, poor countries were seen as developing and following the path of the rich countries. Later on, dependency theories described them as underdeveloped - unequal exchange made the rich world richer at the expense of the poor countries which grew poorer. Today, we see an increasing polarisation between a developed North and an underdeveloped South. There is an enormous global interdependence between countries and regions. Some are more or less excluded and appear to be left hopelessly behind in the global growth race.

The knowledge gap

Knowledge is generated at an accelerating speed, faster than ever before. In theory, scientific advancements are shared through the free flow of knowledge and could present an unprecedented opportunity for developing countries. In practice, a considerable proportion of research is protected by military and industrial codes. Academic achievements may be unrestricted but they are as open to everyone as the doors of the Hilton. There is a major difference, however, as further access to the exclusiveness of Hilton requires money whereas access to the products of research requires more than that. The ability to understand, select, absorb and make use of knowledge is also necessary. Without such capacity to absorb and adapt science and technology, most assistance from outside tends to be wasted (Menon 1993). A new dichotomy is created. IDRC (International Development Research Centre) suggests that differences between nations in their capacity to generate and utilise knowledge will create a new 'global apartheid' (IDRC 1994).

The extreme imbalance in capacity to handle knowledge is demonstrated in UNESCO's World Science Report 1993 (Barré and Papon 1993:139-150). The United States, the European Union, Japan and the former Soviet Union, which together share about 75% of the global GNP, have an even larger share, 88%, of the world's resources for research. The countries in sub-Saharan Africa share less than 1% of the research and development-oriented scientists and engineers and about 0.2% of the global expenditures for such activities[1]. The most glaring global inequalities, however, are demonstrated in the opportunities for higher education (UNESCO 1993). While the most advanced countries have more than 5,000 students per 100,000 inhabitants, the least fortunate ones educate less than 25. Such an extreme lack of higher education limits growth in research opportunities and effectively prevents the least developed countries from taking advantage of new opportunities.

We are rapidly approaching the turn of the century, but we hear less and less of the optimistic development slogans. We look in the rear mirror and realise that the development we witnessed during the past half century has been extremely unevenly distributed. The net outcome is an income gap between the rich and poor countries which has grown wider than ever before[2]. It is the rich world which has benefited from industrial revolution, technical innovations, information explosion, and the emerging knowledge society.

What happened to the post-war aid ambitions? Were they ill-conceived and misdirected or just futile in relation to trade and foreign policies at large? What lessons have been learnt and what is the purpose and orientation of continued international and bilateral support for development? Will it produce change or merely alleviate some of the most naked poverty and burning disasters?

Comparing international policies for higher education

It is with this perspective in mind that we need to examine the development policies produced by international organisations. To what degree are such policies framed in the global political context and what objectives are set? How well do the proposed strategies appear to be founded in reality and how likely is it that the implemented strategy will lead to the envisaged development objectives? In short, do the proposed strategies aim at substantial change?

The focus of this paper concerns policies on higher education. The important role of higher education and research for the development of leadership and for enlightened interaction with other countries is unquestioned. Looking towards the future, it is likely that the level of knowledge, more than anything else, will be decisive for national development and comparative strength. Thus, the country's capacity to cultivate and handle knowledge will decide what potential it has to tackle the vicious circle of underdevelopment.

Two recent documents will be discussed, both from international organisations with expressed development missions: the International Bank for Reconstruction and Development or the World Bank, and the United Nations Educational Scientific and Cultural Organisation, UNESCO. The World Bank document *Higher Education: The Lessons of Experience* was released in July 1994 (World

Bank 1994). UNESCO circulated the summary of their *Policy Paper for Change and Development in Higher Education* in September 1994 (UNESCO 1994). Following a review of the process leading to the policy documents, they will be compared along three lines. The first relates to their problem definition, in particular the situation analysis and context in which the diagnosis is made. The next concerns the goals and formula for reform. Finally, the soundness, possible efficiency and impact of the recommendations will be discussed.

The development of the policy papers

The World Bank came to look at education as an important part of public spending in connection with its support for structural adjustment. In reviewing education in African countries, a paper indicating 'options' for higher education was circulated (World Bank 1986). This suggested a low 'social rate of return' of higher education and questioned the cost-efficiency of universities in Africa. The implications were met with strong resistance as expressed in the Harare Statement in connection with a Round Table organised by the International Association of Universities (IAU 1987). Following this intervention, the World Bank embarked on an intense period of analysis and consultations.

A series of studies were carried out by the World Bank or commissioned among higher education specialists from various parts of the world. A central group of researchers was linked with a wide network of experts. This was an impressive exercise coordinating a very large group of people working with higher education issues. Consultations involving representatives of governments and university leaders from different parts of the world were also held where different drafts were discussed. At some stage the document had a degree of flexibility and sensitivity to different situations and their need for different approaches. However, the final version presents uniform messages very close to those of the early (1986) study. Thus, it has been questioned to what degree the enquiries, studies and consultations actually came to influence the document (cf. Girdwood's paper in this volume).

UNESCO's work towards a policy on higher education was obviously inspired by that of the World Bank. The Jomtien meeting in 1990, which underlined the importance of primary education, was a joint undertaking of the major international agencies. It led to substantial increases in the World Bank's involvement in basic education. At the beginning of the 1990's, UNESCO found itself in a situation where the World Bank dominated the scene of global educational analyses. The World Bank was also an important actor in the informal Donors to African Education which came to be a crucial forum for debate on higher education among supporting agencies.

Unlike the World Bank, UNESCO has a permanent unit on higher education. The policy was developed in interaction with its regular worldwide network and forum for consultation. The process involved national authorities in charge of higher education, non-governmental organisations representing the academic community, and those involved in research on higher education.

Target groups

The World Bank policy papers primarily provide the framework for Bank lending. However, the higher education paper is part of a new ambition to provide advice to policy makers in developing countries (Verspoor 1994). The purpose stated in the preface is "to make widely available The Lessons of Experience with higher education in many countries" (World Bank 1994:ix). The UNESCO document addresses a multitude of interested parties, primarily those responsible for setting up and implementing the policies on higher education. The paper should also contribute to "reinforcing UNESCO's role in its areas of competence" (UNESCO 1994:I).

Thus, the two documents provide advice to those in charge of policy at the national level. A main difference is that the UNESCO advice may be adopted or discarded by member states without implications for lending opportunities, while this may not be so in the case of World Bank recommendations.

The case for reform

Although both papers are intended for future planning, neither of them portrays a vision of a future society which the suggested reform in higher education should serve. However, there are major differences in which the documents present the context and background to needed reform. The World Bank simply refers to "an era of widespread financial constraints" (World Bank 1994:1-3) which has been more acute in the developing world. UNESCO refers to the challenges of today's world characterised by "a series of concurrent, sometimes contradictory processes of: democratization, globalization, regionalization, polarization, marginalization, and fragmentation" (UNESCO 1994:I). UNESCO also indicates that a call for adequate responses would require a shift in development strategies.

Problems in higher education as seen by the World Bank and UNESCO

The World Bank opens its summary by underlining the paramount importance of higher education for economic and social development. However, the sector is in crisis throughout the world, heavily dependent as it is on government funding in an era of fiscal constraint. Higher education has expanded in all parts of the world but developing countries, in particular, have difficulties finding means to cover the costs. Per student expenditures in USdollars have dropped in sub-Saharan Africa from 6,300 in 1980 to 1,500 in 1990. Low quality of instruction and high drop-out rates, on the one hand, and graduate unemployment, on the other, lead the World Bank to conclude that money is better spent elsewhere.

"The traditional model of the European research university, with its one-tier programme structure, has proven expensive and inappropriate in the developing countries" (World Bank 1994:5).

This conclusion is also supported by equity reasons. Those who enter higher education are heavily subsidised compared to those at lower levels of the system. This is seen as unfair since most students come from economically privileged groups. Thus, according to the World Bank, a reform leading to cuts in public investment in higher education is needed for equity and efficiency reasons (World Bank 1994:10-12).

Problems in higher education are also discussed by UNESCO. The rationale for reform is not, however, primarily linked to problems within the education system but to the need for responses of higher education to a changing world. It should be noted that UNESCO also has a broader perspective in its review of the problems within the system. The quality concept figures centrally in the World Bank paper without being clearly defined. The UNESCO paper discusses a variety of quality aspects, the need for renewal of methods and ways of teaching and learning, and the need to integrate and develop research. UNESCO's views on the importance of academic freedom in order to preserve higher education institutions as a community of free inquiry, able to perform its creative, reflective and critical functions in society at large, is also interesting. For the World Bank, autonomy appears to be mainly a way of enhancing diversified funding.

There are many similarities between the two documents in detailed reflection on specific issues. What stands out as a fundamental difference is the overall perspective and rationale for reform. With an eminent risk of oversimplification one might say that the World Bank document pictures universities as problems for society. UNESCO, on the other hand, focuses on problems in society and the need to strengthen universities so that they can better respond to these challenges and contribute to change.

The scope and aims of reform

The differences in problem definition are reflected in the type of solutions advocated. The World Bank presents an explicit strategy for reform along four principles. These involve a greater differentiation of institutions, including the development of private institutions and efforts to increase private financing for higher education at large. Furthermore, the role of the government should be redefined and policies enhancing quality and equity should be introduced. Further elaboration of these principles leads to a recommendation for overall cuts in public spending for higher education.

Quality concern leads the World Bank to recommend cuts in allocations to higher education. Instead, resources should be spent on the preparation of students before university. Selective entrance exams should be introduced. Quality concerns should also lead to rethinking among small and low-income countries and should encourage them to pool resources at the regional level. Accreditation and evaluation systems should guide funding which should be allocated on a competitive basis. One of the key messages of the World Bank paper is that governments should facilitate private investments in higher education. Legislation should be reformed to accommodate private institutions, performance-related incentives should be equally available to public and private institutions, and autonomous management should be encouraged (e.g., World Bank 1994:66-70).

The chain of the World Bank argument appears to be built around the recommendation to cut public spending. The fate of higher education itself appears secondary to this aim. Even the most careful reader must find it difficult to discover what improvements in higher education these changes aim to provide. It is suggested that non-university and private universities "can help meet the growing social demand for higher education and make higher education systems more responsive to changing labour market needs" (World Bank 1994:5). The low cost of non-university programmes makes them both "attractive to students and easier for private providers to set up" (World Bank 1994:5). Beyond this general formula, it is expected that a combination of market-driven demand and public incentives for quality would shape an efficient system of higher education.

It should be acknowledged that the World Bank is not alone in finding logic in such models. Neave observed that, in Europe, the newfangled quality control comes at a time when governments both insist on higher education to deliver quality and, concurrently herewith, are resolutely engaged in modifying the quality of the framework conditions under which higher education operates (Neave 1994).

The UNESCO recommendations are far less commanding. They are meant as an intellectual compass rather than a set model. The discussion is related to three watch-words: relevance, quality and internationalisation. The underlying understanding is that something needs to be done to strengthen the essential functions of higher education in society, but that measures must be tailored to different circumstances. UNESCO proposes that the relevance of higher education requires rethinking so that societies' changing needs can be met by graduates able to cope with new situations. Alternate funding sources should be sought but, according to UNESCO, it would be erroneous to expect private funds to take higher education out of the current crisis and stop the deteriorating process, particularly in developing countries. Therefore, public support to higher education remains essential. The state and society at large should perceive it as a long-term national investment. Higher education should build ties and partnerships with state and other sectors and should be accountable to society.

The role of the state

A major difference in the two documents is their view of the role of the state. While UNESCO sees an important role for the state in safeguarding the essential role of higher education in society and advocates a higher degree of responsibility, the World Bank sees the role of the state as a problem and recommends less state involvement. According to the World Bank, the regulatory functions, policy development, quality assessment and funding allocation should be carried out by independent agencies.

UNESCO touches upon another central issue by having a long-term perspective. Such a vision finds little room in the World Bank perspective with its emphasis on demand where the clients, students and employers, look to the short- and medium-term.

The World Bank's call for profound changes in relation to the role of the state is absolute in the executive summary. However, in the text of the document one detects some caution in relation to areas where private investment may be 'suboptimal'. The paper acknowledges a "clear economic justifications for continued state support of higher education" (World Bank 1994:9) which may generate benefits for economic development. It also recognises that the long-term returns from basic research cannot be captured by individuals. Imperfections in capital markets may also make it difficult to borrow adequately which reduces opportunities for the meritorious but poor students (World Bank 1994:9).

Equity

The World Bank maintains that equity in higher education is best pursued by investing in primary and secondary education. Over time, it will stimulate demand for higher education among women, ethnic minorities and other disadvantaged groups. Student loan schemes would enable access for the academically qualified but poor students. UNESCO emphasises the responsibility of society in providing higher education, but also underlines the importance of fostering among students the feeling of civic responsibility towards society.

The World Bank reference to qualified but poor (e.g., World Bank 1994:7; author's emphasis) students is disturbing. Surely, those from well-to-do families would also have to be qualified. There are probably many qualified among all groups, but only those with financial means stand a proper chance of having access to family-financed higher education.

UNESCO refers to the *Convention against Discrimination in Education* adopted in 1960 and its concern to make higher education "accessible to all, on the basis of individual capacity". However, it is obvious that this remains a very long-term vision. Neither of the agencies discusses the need to provide access to higher education for students from different groups as a dimension of quality. The need for different perspectives to be represented among those with high formal qualifications in society is indeed important, even when fair access to the individual educational level cannot be accomplished.

The World Bank document provides no apparent vision of the future but is very clear on messages. The recipe is lucid and coherent. It appears convincing to the reader that if measures are taken as prescribed, the goals will be achieved. Public expenditures for higher education will drop, higher education will move out of the hands of governments and enrolment will decrease through a lower demand. The size of the system will depend on how willing customers are to pay. As already indicated, it is much less clear what positive impacts the reforms will have on higher education itself.

Through its lending priorities, the World Bank also has the means to enforce the recommendations. The clear message for lending to the educational sector is that "Countries prepared to adopt a higher education policy framework that stresses a differentiated institutional structure and diversified resource base, with greater emphasis on private providers and private funding, will continue to receive priority" (World Bank 1994:13).

UNESCO has a much more complicated ambition and presents no standard formula. The key message is that "UNESCO will urge governments and other national and international bodies, institutions and organisations to consider higher education as a social, economic and cultural investment and to create adequate conditions for its functioning" (UNESCO 1994:V). UNESCO will also continue to encourage international cooperation and support for higher education.

The possible impact of this policy remains uncertain to the reader. It may have a major moral impact as a balance to the World Bank messages, particularly in its alternate view on the role of the state. It may also provide governments with some important arguments. However, the strength of the UNESCO paper does not lie in its operational recommendations. It shows sensitivity and respect for different situations and does not present a blue- print model. Its value lies in the fact that it does not accept the present global inequities. UNESCO sees higher education as an essential instrument in arming the least developed countries for change.

Concluding remarks

In accordance with customary courtesy, representatives of the two organisations maintain that there is a complementarity between the two documents, one focusing on financial affairs and the other on educational issues. The documents are, however, profoundly different. Detailed aspects may be addressed in a similar way with similar conclusions, but the overall purpose of the World Bank reform is different and even opposite to that of UNESCO.

UNESCO portrays visions of change and calls for international solidarity and understanding of the compelling need for the poor countries to get out of the poverty trap. The assumption is that radical change is required to redress global imbalances, and that a minimum of higher education is essential in a strategy for change leading to development.

The World Bank document leaves no such opening. It presents a strategy for radical change, but the goal is adjustment to the current meagre conditions. For the least developed countries a basic needs strategy applies which gives room only for poverty alleviation. The reference to equity is deceptive. The recommendation that poor countries have to share resources is ironic when no reference is made to the need for equity or sharing between countries.

Another underlying difference between the two documents is their view on the value of education at large - on the benefits of education to the individual and to society. This may reflect a different view of society itself. UNESCO discusses society as a collective entity, while the World Bank appears to see society merely as a mechanism for regulating a market system. In the latter system, the individual is a consumer of education who can sell his value-added services to another consumer, the employer. The value of education to society is recognised in the World Bank paper. Education of girls, for instance, is seen as important for demographic development. At the more abstract level, the educated individual is also more able to contribute to efficient production and growth. Thus, the two forces regulating the system are the market need for skilled labour, on the one hand, and the individual ambition and willingness to invest in education, on the other.

In UNESCO's world, education has a value *per se* for the individual also unrelated to economic value or employment opportunities. At the same time, education has a value for the development of society, for production and economic growth as well as for other qualities, such as culture and social cohesion. UNESCO describes an interaction between individual and society based on mutual responsibility. The World Bank interaction, building on buying and selling, is guided by accountability. Clearly, these differences are rooted in different value systems. Value assumptions are recognised by UNESCO. The World Bank has chosen to refer to experience.

The World Bank's belief in a market ideology and evident trust in demand to shape a functioning higher education, however, finds little support in the studies and experiences cited. Some Asian cases are the basis to illustrate the perfect model, but there is little analysis of what went well where under what circumstances. Various studies appear to be chosen as examples to illustrate a specific point rather than to arrive at conclusions. In some cases where I am familiar with the situation, I do not recognise the reality. Having dealt with Swedish support to the University of Zimbabwe, I know that Sweden was never the leading donor to higher education in Zimbabwe as stated by the World Bank (World Bank 1994:80). Furthermore, from my own review of the situation in Mozambique (Olsson 1994), it is obvious that research is just beginning to develop and that no decreasing research output has taken place, as stated in the World Bank document.

The remaining impression that the World Bank recommendations would not lead to desired development is disturbing. Having read the document several times, however, I realised that I had probably missed the point. No fundamental change is intended. Once the document is studied with this perspective in mind, it makes perfect sense. My bias was the expectation to find adjustment for change and development, not merely adjustment to subordination.

Having arrived at this point, I find the World Bank document very useful. It illustrates the consequences of applying a competitive market approach for services which traditionally are common concerns. It pictures the cruel reality of today's world and helps to disclose the illusion of development.

There is now an increasing awareness of the need to rethink development. The preparatory documents for the United Nations Summit for Social Development in Copenhagen in March 1995 indicate an apparently better diagnosis of the global dysfunctions than we are used to. Solutions are yet to be found, but the diagnosis is necessary for the cure. Once it is recognised that no utopian model will lead to change, more efforts may be directed to serious analysis. In my understanding, it is essential to find ways to empower collective responsibility in communities, nations and at the international level.

It is important that UNESCO forcefully urges governments to assume the responsibility for the development of a proper basis on which to handle knowledge. Efforts such as IDRC's Empowerment through Knowledge (IDRC 1991), SAREC's (Swedish Agency for Research Cooperation) and SIDA's (Swedish International Development Agency) The Ownership and Cultivation of Knowledge (Olsson and Rosengarth 1992), the longstanding support of the Ford and Rockefeller Foundations have recently been complemented by special programmes of DANIDA (Danish International Development Assistance) and NORAD (Norwegian Agency for Development Cooperation) (see, e.g., Danida 1992). The Netherlands are seeking new ways of supporting research (Veldhuis 1994). These experiences point to a rich potential for development and cultivation of knowledge also in the least developed countries. The view could be taken that no one should seek to convince governments in these countries to refrain from developing knowledge, the most powerful vehicle for change.

Notes

1. These figures have also dropped since 1980 when the sub-Saharan African share of research and development (R&D) spending was estimated at 0.4%.

2. The Human Development Report (UNDP 1992) demonstrated that in 1960, the income of the 20 richest countries was 30 times that of the 20 poorest. In 1989, this gap had increased to 60 times.

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French aid and the crisis of higher education in Francophone Africa

François Orivel

Introduction

The 20 Francophone countries located in Sub-Saharan Africa (SSA) together had 255,000 tertiary students in 1990, a near sevenfold increase since 1970 when only 37,000 were enrolled. During the two first post-independence decades, all were assured of a civil servant position because of the acute shortage of trained nationals during colonial rule. Although this is no longer the case, surprisingly, the basic characteristics of tertiary education systems have not significantly changed to cope with a radically new context for the graduates.

The background and characteristics of the Francophone model

A large majority of Francophone tertiary education systems in SSA have adopted an organisational model close to the French one, but some differences have also been introduced. A common basic principle is the absence of numerus clausus: all pupils' who have passed the final secondary education examination, the 'baccalaureat', are entitled to enter a university department of their choice. Such a system is entirely demand-driven, and the vast majority of students and their families strongly believe that this opportunity is an untouchable right, not open to social or public arbitrage. Any attempt to reconsider this right can cause immediate social protest which few governments are ready to face.

This feeling is even stronger in SSA countries because of the social benefits which used to be associated with university enrolment, namely a quasi automatic scholarship and subsidized lodging and feeding facilities. Higher education is considered less as a private investment than as an economic reward or gain in itself. The university student status does not generate opportunity costs such as foregone earnings, but immediately accessible income. Needless to add, all baccalaureat holders are interested in having this opportunity.

A second difference to French universities is size: the average university size in France is about 15,000 students, while it is less than half that number in SSA. This despite the fact that each university in SSA is supposed to cover all academic fields, from the humanities to the natural sciences, from law to economics, and from medicine to technology. This leads to small groups of students within specific fields, in particular the sciences and mathematics, and during the final years, particularly the third and fourth year. In many cases, classes for first year students are overcrowded and, due to low internal efficiency, only a handful of students attend third and fourth year lectures.

The question of size may explain a third difference, namely the pupil/teacher ratio. By international standards, the French model is characterized by rather high rates, i.e. more than 20 students per teacher, while in SSA universities it is around 14 students per teacher. This latter rate has been stable throughout the 1980s, meaning that recruitment of new teachers have followed the same pace as the growth of student enrolment.

Following the spirit of the French tertiary education system, there should have been a smaller number of universities in SSA, approximately half the present number seen in relation to the actual intake. But such a reduced number would have meant that several of the 20 Francophone countries would not have a university, or at least not a university offering all fields of study. Some countries could have specialized in the humanities and others in the natural sciences, and students would have had to move to the appropriate place sometimes in a neighbouring country. This strategy was rejected by a majority of governments as a sovereignty issue: it was considered to be unacceptable to rely on other countries to train high-level specialists except for a few rare specialties.

The dual higher education system

The specialties are provided for in an original type of institution, the 'Ecoles Inter-Etats', which are financed in a proportional multilateral way either by regional SSA institutions or by the countries which send nationals to these schools. In most cases, French external assistance provides regular support through technical assistance, scholarships or budget support. About 20 such schools are presently operating, the majority of which face increasing financial difficulties for different reasons. Some member countries no longer send nationals because they cannot afford it, or because they have enough trained personnel in the specific field; others forget to pay the bill because of budgetary restrictions at home; in some cases, the regional organisation in charge of the school is itself short of funds and interrupts its support.

There are some similarities between the dichotomy in France regarding higher education with the universities on the one hand and the 'Grandes Ecoles' on the other and, again, the dichotomy in Francophone SSA with national universities on the one hand and the 'Ecoles Inter-Etats' on the other. In France, this dichotomy is characterized by the features displayed in Figure 1.

The major historical reasons for this dualism are twofold: to attract the most able segments of each age cohort to occupy key executive positions in society in the public and private sectors, and to train them in a more vocationally adapted way than used to be the case in universities. Universities have a negative image in this respect and are often seen as excessively oriented towards abstraction and pure speculation.

Figure 1: *Comparative characteristics of French universities and French 'Grandes Ecoles'*

Characteristics	Universities	French 'Grandes Ecoles'
Hierarchical position	inferior	superior (for the elite)
Size	large (> 10,000 students)	small (< 1,000 students)
Field coverage	multiple	unique
Entrance conditions	open	numerus clausus
Resources	limited	generous
Access to job market	unwarranted	protected and rewarding
Apparent internal efficiency	weak	very high
Management authority	Ministry of Education	technical ministries Chambers of Commerce

The equivalent of the 'Grandes Ecoles' is found in two types of institutions: either strictly equivalent to the French model, such as the Ecole Nationale des Travaux Publics in the Ivory Coast which are specialized in the training of national civil engineers, and the 'Ecoles Inter-Etats'. In the French Ministry of Cooperation, which is in charge of French aid to education in SSA, the office which deals with the 'Ecoles Inter-Etats' is not the same as the office in charge of universities. This, in effect, reproduces the French dualism.

The differences between universities and 'Grandes Ecoles' are not entirely reflected in the SSA dualism between universities and 'Ecoles Inter-Etats'. First of all, the relative hierarchical position goes the other way around. None of the 'Ecoles Inter-Etats' has been recognized externally for an indisputable quality. This is mostly due to the quality of the new students: in France, access to the 'Grandes Ecoles' is based on fierce competition between well-prepared candidates belonging to the best achieving secondary students, while the student population of the 'Ecoles Inter-Etats' is determined by the member countries, mostly through a selection process based not entirely on academic criteria. In addition, many 'Ecoles Inter-Etats' do not train specialists at the highest levels, such as ISCED (International Standard Classification of Education) level 1 and 2, as in the French 'Grandes Ecoles', but rather at the ISCED level 3.

The second difference concerns the availability of resources. French universities are funded in a rather constrained way by international standards and by comparison with the 'Grandes Ecoles'. According to the French Ministry of Education, per student expenditure in universities represents on average FRF

32,000. The unit cost in 'Grandes Ecoles' is two to three times higher than in universities, ranging from FRF 64,000 to 96,000. No data are available for the SSA 'Ecoles Inter-Etats', but unlike French 'Grandes Ecoles' they are facing increasing budgetary constraints and the possibility that several of them could be closed in the near future due to lack of sponsors.

The decline in educational resources is often attributed to the policies imposed by some international financial organisations, in particular the Bretton Woods ones, in relation to structural adjustment programmes. However, it is difficult to estimate the real impact of these programmes on educational expenditure because of declining domestic fiscal resources. Some countries, such as Zaire and Nigeria, have rejected structural adjustment programmes but have cut educational expenditures even more drastically than countries which have accepted the programmes.

During the two first decades after independence (1960-80) and in a context of stronger faith in state intervention in the economy than is now the case, both universities and 'Ecoles Inter-Etats' succeeded in training new local specialists in different fields of public services and administration. Problems began to arise in the 1980s when fiscal resources were insufficient to cover continuous growth of public expenditure and, thereby, ensure that new graduates were recruited every year, while keeping those already recruited because they were too young to retire.

The problems faced by tertiary education institutions were, and still are, twofold: given the present conditions of the job market in the region, the rate of unemployed graduates is constantly increasing, and the budgetary constraints of sponsors create a severe financial crisis within most universities and 'Ecoles Inter-Etats'. If market conditions were prevailing, one should have observed a decline in the demand for higher education. However, this has not occurred because, for a majority of students in Francophone SSA, higher education is not generating costs but income, thanks to the counter-incentive scholarship system associated with subsidized lodging and food services.

As a consequence, the quality of educational services provided by both universities and 'Ecoles Inter-Etats' has severely suffered from the lack of funds for key pedagogical inputs, especially those which have to be imported: books, textbooks, journals, scientific equipment, spare parts for existing equipment, computers and related software, electronic networking for scientific communication, funds for attending scientific meetings, etc. Furthermore, the contribution of SSA higher education systems to the production of new knowledge has virtually disappeared: doctoral programmes in universities and 'Ecoles Inter-Etats' are almost non-existent, and publication of scientific articles by African professors in refereed journals remains at a very insignificant level. This is the result of a vicious circle: the best students trained in SSA institutions tend to move to Western universities in order to prepare their PhD and do not contribute to the upgrading of the scientific capacity of SSA universities. Furthermore, because of the deteriorating quality of SSA universities, the best PhD holders seek academic positions not in their countries of origin, but elsewhere, in particular in Europe, North America and international organisations, thus withdrawing the most talented and promising elements from SSA universities.

The relationship between France and Francophone SSA universities

Since independence, France has generously supported the development of new universities in the region. It has provided thousands of professors and other teaching staff, scholarships for students and young staff seeking PhDs, books, equipment and teaching materials. The bulk of French aid has always been technical assistance, mostly teaching staff, even if this has tended to decrease in the recent past.

Few hard data are available to describe the basic characteristics of French assistance in this field. The only comprehensive studies have been produced by Millot, Orivel and Rasera (1987) and by Sergent (1993), covering the years 1981-83 and 1984-86, respectively. During these six years, aid to education in SSA remained more or less constant. Annual direct support to Sub-Saharan educational systems represented about US$ 700 million. Overseas fellowships for African students amounted to US$ 210 million and hosting African students abroad to an additional US$ 245 million. One fourth of the US$ 700 million are provided by France which is the largest single donor. Multilateral aid is slightly higher, but the relative French proportion of this has not been calculated.

Forty per cent of French aid goes to higher education. This proportion seems to be higher than the average for all donors (34%). The comparison is, however, questionable because 'not distributed' aid, i.e. aid unspecified by educational level, constitutes 19% of total aid for all donors but only 4% of French aid. If, for example, one third of the 19% 'not distributed' aid of all donors were allocated to tertiary education, the proportion would close to the French one of 40%. In general French aid can be fairly easily broken down, because the bulk of it relates to technical assistance and because the institutions of the French *coopérants* are known to the Ministry of Cooperation.

According to the Ministry's own data (Ministère de la Coopération et du Développement 1991), 29.2% of French *coopérants* are assigned to teach in tertiary education institutions. At least 29.2% of French technical assistance, therefore, goes to tertiary education. In addition, 11.4% of French aid goes to fellowships for studies abroad (versus 16.4% for total aid). As fellowships are almost entirely related to tertiary education, it appears that there is consistency between both sources of information concerning the proportion of French aid to higher education (40%).

Forty percent of US$ 200 million represent an annual subsidy of about US$ 80 million for tertiary education in SSA. This significant amount must, however, be related to the number of potential beneficiaries. Given the present number of tertiary students, 255,000, it means that each student is entitled to about US$ 300 of French aid each year. This is considerably below that of the 1960s and 1970s when a smaller number of students were enrolled in SSA universities. While the number of students in tertiary education has multiplied by seven during the past 20 years, French aid has not followed suit. On the contrary, since the mid-1980s, France has progressively withdrawn the *coopérants* working in SSA and introduced, as will be discussed below, new modes of assistance. At its peak, French technical assistance reached more than 8,000 *coopérants*. It has been progressively reduced at a pace of 300 per year, in 1994 amounting to 4,000. Of these, 1,200 are assigned to tertiary education, approximately 700 in universities and 500 in professional tertiary level schools, including in 'Ecoles Inter-Etats'.

According to a recent study on SSA education (DAE 1994), per student expenditure in tertiary education in Francophone Africa was about US$ 4,600 in 1970, US$ 3,300 in 1980 and US$ 2,400 in 1990. Thus, over 20 years resources per student have been almost reduced by half with an absolute reduction of US$ 2,200. French aid has not compensated for this drastic decline but has, in fact, been substantially reduced. In 1980, for instance, Francophone SSA countries enrolled only 149,000 students for whom French assistance amounted to US$ 80 million or US$ 540 per student. It is significantly less today, and no alternative financial source has substituted for the decline.

This declining trend is linked to three basic changes which have been progressively introduced in French assistance policy concerning education:

1. a reduction in the proportion of technical assistance in favour of other modes of intervention. According to Millot, Orivel and Rasera (1987), in the early 1980s technical assistance represented 82% of French aid compared to 43% for all donors together. The reduction in the number of *coopérants* will necessarily lead to a further reduction of this proportion;

2. a new effort to support primary education which was excessively neglected in the 1980s. As the total amount of direct French aid to education is not increasing, this new emphasis on basic education partly takes place at the expense of higher education;

3. a development of non-sectoral interventions in the form of general budgetary support either to reduce the budget deficit when fiscal resources are no longer sufficient to pay civil servant salaries (including those for teachers) or to reduce the public debt since debt reduction eases the public budget and gives more flexibility to pay civil servant salaries. This third mode of intervention is not reflected in data related to the amount of aid allocated to education and actual aid is, therefore, somewhat underestimated. When a grant is allocated to the general budget, its beneficiaries are not clearly identified, but one can assume that education is supported proportionally to its relative share of the total budget.

The changes in French aid policy are dictated by two considerations: helping recipient countries to face urgent needs during a period of severe economic crisis; and promoting priorities which have been identified in many studies, in particular Education for All. While these changes should be supported, it must also be understood how potentially negative their impact can be on the amount of French aid for tertiary education in Francophone SSA.

Attempts to improve effectiveness of French aid to tertiary education

Changes in the traditional approaches of French cooperation regarding education in Francophone SSA require a substantial amount of political commitment since they touch upon long established interests of various influencing lobbies. It is widely recognized that the proportion of technical assistance is excessive, but its reduction is limited by two opposing forces: the union of technical assistants who enjoy some benefit from this status which they lose when returning to France; and the recipient countries which find technical assistants useful as long as the countries do not have to bear any opportunity costs. They do not pay for them and they are not offered an alternative form of aid to compensate for the withdrawal of the technical assistants.

In spite of these opposing forces, there is a determined French policy to reduce substantially, although progressively, its aid in terms of technical assistance. The total amount of aid allocated to education does not seem to be on the decline, but aid for higher education may be shrinking. Previous support for technical assistance is instead directed to basic education and general budget support, while most universities feel that they receive a smaller amount of direct aid.

To make this policy more acceptable to technical assistants and their union, the return to France of university staff is better prepared than before. Rather than having a work contract linking the technical assistant directly with the Ministry of Cooperation, the technical assistant is a regular staff member of a French university which grants him/her leave for three years, during which he/she is assigned to an African university paid by the Ministry of Cooperation. At the end of the three-year period, he/she goes back to the former position at the university in France.

This system will progressively deplete the existing stock of technical assistants who used to consider their assignment as a career in itself. It was common to have successive positions in different countries until retirement age. Generally, such careers were financially more attractive than similar academic careers in French universities. Furthermore, those who wanted to come back to France before their retirement had difficulty in finding a teaching position in a metropolitan university because of the low reputation of African academia, especially from a research point of view.

This new approach is complemented by a rationalization of relations between French universities and their African counterparts. Instead of providing African universities with means to cover their needs for specialists, short-term professors, and scholarships for stays in French universities, general cooperative and contractual agreements between a French and an African university are encouraged, supervised and financed by the Ministry of Cooperation. Relations are therefore less diversified but more continuous, allow for a deeper partnership, and force French universities to define a real cooperation policy at the university level, not at the individual faculty staff member level.

A second new mode of intervention was introduced in 1987 under the name CAMPUS, 'Coopération avec l'Afrique et Madagascar pour la Promotion Universitaire et Scientifique'. This programme aims at promoting research projects in Francophone universities with the partnership of French research institutions. To have access to CAMPUS, a project must include the training of African researchers and focus on development objectives. About 15 projects are financed each year averaging the amount of FRF 750,000 or about US$ 140,000.

The scholarship policy is also affected by certain changes. The annual flow of scholarships to students from SSA is about 5,000. During the early independence years, the bulk of scholarships was allocated to undergraduate students for enrolment in a French university. This policy has progressively been changed as local universities began to offer similar academic specializations. In principle, no scholarship can be granted to a student who can achieve the same kind of training in the home country.

In order to reduce the unit cost of scholarships, the French Ministry of Cooperation introduced a first change by offering the possibility of enrolment in higher education not in a French university, but in a university of another African country (or in a non-university higher education institution). The lower cost for such scholarships is explained by the difference in the cost of living between France and SSA countries. About one fifth (1,000) of scholarships are now granted within this scheme.

A second change has been based on the willingness to reduce the average length of studies. Scholarships for doctoral studies were often granted for more than four years. Within a given budget, this affects the relative number of beneficiaries. In addition, African doctoral students enrolled in a French university faced huge difficulties in undertaking the empirical work for their dissertation because of limited access to field data from their country of origin. Therefore, instead of spending four years in France under severe productivity constraints, students now spend more time in their own country and receive shorter scholarships for their stay in France. Almost one third of the scholarships are now short-term or of a duration which is significantly less than one academic year.

The limitations of French assistance to higher education in SSA

In spite of some positive changes in the recent past due to a better understanding of desirable educational policies in the region, French cooperation could be improved in many respects. First of all, as for many other bilateral donors, French assistance is affected by certain political biases. Efforts aimed at improving the effectiveness of aid are often overturned by political lobbying at the highest levels both from the French side and from the recipient side. Therefore, management of technical assistance is not dictated purely by efficiency considerations, but also by favouritism, nepotism, and the like. It is more likely that a scholarship will be granted to a relative of a local minister than to a deserving son of a farmer. Similarly, the assignment of technical assistants is the combined result of identified needs, the relative capacity of the staff to perform the desired task, the necessity to find positions for those who do not have the required qualifications for new objectives but who have some right to be maintained as technical assistants, and personal relations with the political power of the moment.

One could say that this kind of behaviour is 'human'. However, French assistance is often trying to promote French economic interests which do not coincide with the long-term interests of the recipient country. One example of this is printed education materials. After more than thirty years of independence, the proportion of locally produced textbooks in Francophone SSA remains too small and the publishing capacity of SSA too weak. The availability of textbooks is inferior today compared to any previous period, and the prices of textbooks have increased significantly compared to the GDP (gross domestic product) per capita in the region. Real prices are determined mostly by the French economic situation which has been characterized by a higher growth rate than in SSA. Thirty years ago, a university textbook was worth one thousandth of the GDP per capita in France and about one hundredth in SSA. Today, it is still worth around one thousandth in France but much higher in SSA, of the order of one tenth or one twentieth of the GDP. At these prices, textbooks can no longer be afforded by students, professors and university libraries. While there is no easy solution to this dilemma, French aid has not yet developed a long-term strategy to solve it.

Another weak aspect of French assistance is the lack of transparency concerning the criteria which determine the relative amount of aid country by country. There are significant disparities in the level of economic development of SSA countries, from about US$ 300 of GDP per capita in the poorest countries to US$ 3,000 in the richest. Aid per capita is, however, not following this unequal distribution. On the contrary, richer countries tend to be assisted more than the poorest on a per capita basis (see Millot, Orivel and Rasera 1987), a logic which is questionable.

It must be understood that French assistance cannot alone solve the numerous problems faced by higher education in SSA today. The initiative has to come from the recipient countries. Urgent reforms are needed in order to improve two major issues: a growing inconsistency between the number of graduates per field and the realities of the job market which implies that access to higher education is no longer demand-driven, but more (job) supply-driven. This means that some kind of regulation at the entrance level should replace the unlimited right of baccalaureat holders to enrol in universities. Secondly, the unbalanced allocation of resources between pedagogical and social purposes should be corrected. Per student expenditure may not increase significantly in the foreseeable future, and the supply of badly needed pedagogical inputs can only be met by reducing unnecessary 'social expenditure'.

Such reforms should be accompanied by greater diversification of higher education institutions in the region in terms of fields, vocationalisation and academic excellence. Such a diversification implies a greater sense of regional cooperation and complementary initiatives. The same low quality institutions should not be duplicated everywhere. Instead, national and international coherent and coordinated efforts should be concentrated on certain regional institutions of excellence in order to preserve the chance of having SSA be academically recognized in the next century.

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Note on NORRAG

NORRAG is a network of individual and associate members based in universities, public and private research centres, development agencies and NGOs, committed to improving interaction amongst research, policy and practice in the North as a means of supporting education and training in the South. NORRAG shares this global aim of being a 'broker' among research, policy and practice with other networks such as: Educational Research Network in Eastern and Southern Africa (ERNESA), Educational Research Network for West and Central Africa (ERNWACA), Red Latinoamericana de Información y Documentación en Educación (REDUC), and Southeast Asian Research Review and Advisory Group (SEARRAG).

Since 1985, NORRAG has had the following objectives:

- collection, critical analysis and synthesis of research on policies and strategies concerning education and training in the South;
- Dissemination of information in the North and the South through *NORRAG News*, *La Lettre de NORRAG*, and monographs;
- Advocacy of education and training policies and strategies to governments, development agencies, and NGOs in the North through seminars, training sessions, and conferences.

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